

FBIS

DAILY REPORT

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PRC WANTS ROK TO RETURN DEFECTOR PILOT, PLANE

OW251201 Tokyo KYODO in English 1151 GMT 25 Oct 86

[Text] Beijing, Oct. 25 KYODO -- A Chinese Foreign Ministry spokesman said Saturday that China wants the earliest possible return of a Chinese MIG-19 fighter and its pilot, who flew to South Korea Friday in an attempt to defect to a third nation.

The spokesman, however, declined to comment on why the pilot should have defected from China. Chinese newspapers published here Saturday contained no reference to the incident.

The pilot is believed to be Zheng Taizhi, 26, of the Fifth Fighter Squadron of the Chinese Air Force, based in Yantai, Shandong Province. A report reaching Hong Kong on the same day quoted a Taiwan Foreign Ministry spokesman as saying that the Taipei Government would welcome the pilot if he wished to defect to Taiwan.

DENG XIAOPING MEETS JAPANESE FRIENDSHIP GROUP

OW241038 Beijing XINHUA in English 1031 GMT 24 Oct 86

[Text] Beijing, October 24 (XINHUA) -- Deng Xiaoping, chairman of the Chinese Communist Party Central Advisory Commission, met here today a delegation from the Japan-China Friendship Association.

Deng praised the visitors of their efforts in promoting Sino-Japanese friendship and cooperation, describing them as "well-diggers" who work for the benefit of future generations.

Deng told president of the association Tokuma Utsunomiya and his delegation, most of whom he had met on previous visits, that their contributions had long-term influence.

"Those who will drink from this well of friendship will be the future generations of both Japan and China," he added.

Deng also briefed the Japanese visitors on his long-term plan for China's socio-economic development.

He expressed confidence that China will get rid of poverty and become well off by the end of this century, and have an annual per capita national income of 4,000 U.S. dollars through its efforts in another 30 to 50 years. These two goals can certainly be reached or even surpassed, he added.

He said that the guarantees for the realization of these two goals are twofold: one is that there is real hope for world peace and the avoidance of war. That is to say, China will have some 50 years of peace for its economic development. The other is that China's resources are just being tapped and there is still great potential for their exploitation.

"We are now working wholeheartedly for the realization of these goals," he said.

The Japanese delegation arrived here Tuesday at the invitation of the China-Japan Friendship Association.

Concerned for 'War Orphans'

OW250021 Tokyo KYODO in English 0004 GMT 25 Oct 86

[Text] Beijing, Oct. 25 KYODO -- China's senior leader Deng Xiaoping expressed concern Friday about Japanese "war orphans" in China who are trying to resettle in their native country.

The question of the "war orphans" -- Japanese nationals displaced in China shortly before and after the end of World War II in 1945 -- arose during a meeting Deng had with visiting members of the Japan-China Friendship Association headed by Tokuma Utsunomiya, a member of the House of Councillors.

Utsunomiya thanked Deng for China's cooperation in helping the "war orphans" visit Japan and find their relatives.

Deng, chairman of the Chinese Communist Party Central Advisory Commission, explained the differences in the political, economic and social systems between Japan and China and expressed concern about difficulties some returnees have in getting jobs in Japan, members of the delegation said.

Although no exact figure is available, displaced Japanese people -- now in their 40s and early 50s -- total around 3,000. Most are in northeast China, formerly Manchuria, where the prewar Japanese Government set up a puppet state and encouraged Japanese citizens to resettle there.

Some displaced people, accompanied by family members came to Japan in the last few years, but many are believed to be having a hard time learning Japanese and getting accustomed to the Japanese lifestyle.

Deng was quoted as saying that Japan has achieved economic development in postwar years because its "arms burden" was small and that the United States is in difficulty because it has to cope with four "unsinkable aircraft carriers" -- Taiwan, South Korea, Israel and South Africa.

Deng also said China would welcome a visit by a Japanese imperial family member.

China's XINHUA NEWS AGENCY quoted Deng as saying that China will rise from poverty by the end of this century, and after 30-50 years, its per capita income will reach 4,000 dollars.

JAPAN TO SCRAP 1 PERCENT DEFENSE BUDGET CEILING

OW171937 Beijing XINHUA in English 1648 GMT 17 Oct 86

[Text] Tokyo, October 17 (XINHUA) -- The Japanese Government has decided to scrap the national defense spending limit of one percent of gross national product (GNP) and make it "about one percent of GNP", KYODO NEWS SERVICE said today.

Quoting government officials, KYODO said that in order to approve the 1987 fiscal budget draft in December, the Cabinet will have to change the "one percent of GNP" policy to "about one percent of GNP."

The Defense Agency has been demanding 3,554.1 billion yen (about 23.23 billion U.S. dollars) for defense expenditures in fiscal 1987, an increase of 6.3 percent over the initial defense budget of the current fiscal year.

In such a case, to abide by the "one percent of GNP" limit, Japan will have to either achieve an economic growth rate of more than 5.5 percent, or cut the budget.

However, according to the officials, the Defense Agency insists that the fiscal 1987 defense budget is needed to fulfill the promise Japan made to the United States to carry out the medium-term defense build-up program.

Furthermore it has been widely predicted that Japan can hardly sustain a 4 percent economic growth rate in the current fiscal year which ends next March.

Defense spending for this fiscal year, before the drafting of the supplementary budget, has remained within the "one percent of GNP" framework, which was fixed in November 1976 by the Cabinet under the then Prime Minister Takeo Miki.

NAKASONE SPEAKS ON JAPAN'S DEFENSE CAPABILITY

OW262215 Beijing XINHUA in English 1501 GMT 26 Oct 86

[Text] Tokyo, October 26 (XINHUA) -- Japanese Prime Minister Yasuhiro Nakasone today pledged to make every effort to build up an "effective and efficient" defense capability and firmly maintain the U.S.-Japanese security system.

Japan will speed up its military modernization, he said when speaking at an annual parade of the Self-Defense Forces (SDF) at the Asaka Base in Saitama Prefecture northwest of Tokyo.

Nakasone, who is also supreme commander of the country's 250,000-member SDF, said the military buildup will be made in line with a new five-year program the government announced in September last year.

But Nakasone also told the 5,200 SDF personnel taking part in the parade that Japan has no intention of becoming a military power, and it will limit its military forces to defensive purposes.

The Nakasone Cabinet adopted an 18.4-trillion-yen (117.27 billion U.S. dollars) five-year military development program (1986-1990), which many observers say may push the country's defense spending beyond the current ceiling of one percent of Japan's gross national product.

Some 3,000 Saitama prefectural police cordoned off the area around the base where the parade was taking place as rival demonstrators gathered to either condemn or support the event, according to police sources.

An estimated 450 union members and local citizens protested the military parade, saying it was illegal under the Constitution, while about 250 people in vehicles equipped with loudspeakers voiced their support for the prime minister and the parade.

RENMIN RIBAO ON JAPANESE-SOVIET RELATIONS

HK241138 Beijing RENMIN RIBAO in Chinese 20 Oct 86 p 6

[Article by Yu Qing (0060 7230): "New Trends in Japanese-Soviet Relations"]

[Excerpts] The 30th anniversary of the signing of the Japanese-Soviet declaration and the 30th anniversary of the resumption of Japanese-Soviet diplomatic relations fell on 19 October. In accordance with an original plan, Soviet Deputy Foreign Minister Kapitsa arrived in Japan on 19 October for a visit. Both Japan and the Soviet Union have attached importance to this visit. Recently both sides have shown unprecedented enthusiasm for improving their bilateral relations. [passage omitted]

Regarding the time to be fixed for Gorbachev's visit to Japan, the Soviet side stated during a meeting of Soviet and Japanese foreign ministers in September that because the time for a U.S.-Soviet summit conference was not fixed yet, the general secretary would not be able to visit Japan in this year. After the time was fixed for the Iceland conference of U.S. and Soviet heads, the Japanese side enthusiastically began promoting the realization of Gorbachev's visit to Japan in January next year. In Nakasone's opinion, when Gorbachev visits Japan, Japan will ask the Soviet Union to take action with regard to the question of the northern territory and, at the very least, this will be a step forward as compared with the Japanese-Soviet summit conference held in 1973. Due to the fact that the U.S.-Soviet talks failed to reach an agreement, Japan feels anxious that Japanese-Soviet relations may be affected by changes in relations between the East and the West. The Japanese Government is currently centering its attention on Gorbachev's visit to Japan and is watching closely trends in Soviet policy toward Japan.

In short, Japanese-Soviet relations have been moving toward moderation during the year, as compared with the "rigid and frigid" Japanese-Soviet relations that existed prior to the 1970s and with the "now frigid, now warm state" that existed in the early 1980s. The temperature of Japanese-Soviet relations has been rising continuously, particularly this year. Will Gorbachev be able to visit Japan? Will there be a "small high tide" (xiao gao chao 1420 7559 3390) of Japanese-Soviet relations? People are taking a wait-and-see attitude.

KIM IL-SONG 'SATISFACTION' WITH USSR VISIT NOTED

OW271622 Beijing XINHUA in English 1615 GMT 27 Oct 86

[Text] Pyongyang, October 27 (XINHUA) -- Kim Il-song, president of the Democratic People's Republic of Korea, returned here today after a five-day visit to the Soviet Union.

Upon his return home, Kim sent a telegram to Soviet leader Mikhail Gorbachev, expressing "great satisfaction" at the success of the visit.

Kim described his visit as an "important opportunity" to expand the cooperation between the two nations. He said that he and Gorbachev had earnestly discussed problems of mutual concern and "reached complete accord on every issue."

Kim predicted that his visit will instill greater vitality into the traditional friendship between the two nations and further enhance their good relations.

STATUE OF KIM IL-SONG UNVEILED IN JILIN

OW251921 Beijing XINHUA in English 1520 GMT 25 Oct 86

[Text] Changchun, October 25 (XINHUA) -- A bronze statue of Kim Il-song, president of the Democratic People's Republic of Korea (DPRK) and intimate friend of the Chinese people, was unveiled at the Yuwen Middle School in Jilin Province today.

Local party and government leaders attended the ceremony as well as DPRK Ambassador to China Sin In-ha, Deputy-Director of the Department of International Affairs of the Korean Workers' Party Central Committee Kim Yong-sun and his party, DPRK Consul General in Shenyang Yu Man-bok, teachers and students of the Yuwen Middle School.

President Kim Il-song studied and took part in revolutionary activities in the Yuwen Middle School from 1927 to 1930. After liberation, the middle school was well preserved and the classroom where Kim used to study was made into a commemorative reading room.

The unveiling of the 3.5-meter statue of Kim Il-song shows the respect of the Chinese people for President Kim Il-song and their deep friendship for the Korean people.

Secretary of the Jilin Provincial Party Committee Gao Di and Ambassador Sin In-ha praised the revolutionary career of the president and the deep friendship between the Chinese and Korean peoples.

DPRK DENOUNCES ROK-U.S. MILITARY EXERCISES

OW270718 Beijing XINHUA in English 0708 GMT 27 Oct 86

[Text] Pyongyang, October 27 (XINHUA) -- Democratic People's Republic of Korea (DPRK) today denounced South Korea for increasing tension on the peninsula with its "Double Dragon '86" military exercise.

The KOREAN CENTRAL NEWS AGENCY (KCNA) said more than 15,000 persons were involved in the six-day "anti-tank" and "rivering-crossing" exercise which began October 26.

KCNA said the United States and South Korea had held joint submarine mine-laying mine-sweeping exercises before "Double Dragon".

The KCNA said continuous military exercises by the U.S. and South Korea are to prepare for war against the DPRK, aggravating the situation in the Korean peninsula.

DPRK MARKS PRC VOLUNTEERS' PARTICIPATION IN WAR

OW250056 Beijing XINHUA in English 1604 GMT 24 Oct 86

[Text] Pyongyang, October 24 (XINHUA) -- The Ministry of the People's Armed Forces of Korea held a party here this evening to observe the 36th anniversary of the Chinese People's Volunteers' participation in the Korean war.

Pak Chung-kuk, vice minister of the People's Armed Forces of Korea, and Chinese Ambassador to Korea Zong Kewen, spoke at the party.

Pak Chung-kuk recalled the days when soldiers of the two countries fought side by side against the American invaders in the early 1950's, saying "We'll cherish the friendship with our Chinese comrades no matter what happens."

Zong Kewen said, "The Chinese people support resolutely your just stands and reasonable proposals" in regard to the reunification of Korea.

WANG ZHAOGUO MEETS DPRK NEWSPAPER DELEGATION

OW251402 Beijing XINHUA in English 1148 GMT 25 Oct 86

[Text] Beijing, October 25 (XINHUA) -- Wang Zhaoguo, member of the Secretariat of the Chinese Communist Party Central Committee, met here today a delegation from "PYONGYANG SINMUN", a newspaper of the Democratic People's Republic of Korea.

Wang briefed the visitors on China's reforms and opening to the rest of the world. The delegation, led by Deputy Editor-in-chief Kim Hong-il, arrived here Tuesday at the invitation of "BEIJING DAILY".

LIAOWANG ON LI XIANNIAN'S VISIT TO DPRK

HK271003 Beijing LIAOWANG in Chinese No 41, 13 Oct 86 p 5

["Dispatch From Pyongyang" by contributing correspondent Zhu Kechuan (2612 0344 1557): "Old Friends Meet Again With Deep Affection" -- date of dispatch not given]

[Text] The autumn sky in Pyongyang this October was clear and the air was crisp. President Li Xiannian once again paid an official goodwill visit to our fraternal neighboring country, the DPRK, from 3 to 6 October, at the invitation of Comrade Kim Il-song, general secretary of the Workers Party of Korea (WPK) and state president of the DPRK.

Beautiful Pyongyang was completely permeated with festive gaiety. Starting in the morning, hundreds of thousands of people from all walks of life converged on the two sides of the 8-kilometer street in the city proper to await the arrival of President Li.

President Li has visited Korea many times. His visit in July 1971 as head of a Chinese party and Government delegation added an important chapter to the history of the development of Sino-Korean friendship. As head of a CPC delegation in 1980, he took part in activities celebrating the 6th National Congress of the WPK and the 35th anniversary of the party's founding and was warmly received by the Korean party and Government. This was his first visit to Korea in the capacity of state president.

President Kim Il-song has repeatedly expressed warm welcome for this visit of President Li in the name of the WPK Central Committee, the DPRK Government, and the Korean people, and also in his own name. When he was accompanying President Li from the airport to Li's dwelling place at the Pakhuawon Guesthouse, he said: "The people of our country should warmly welcome you: you have done many things for Korea." During the first round of talks held at the gorgeous Kumsusan Assembly Hall, he said to President Li again: "In spite of your advanced age, you have come to our country as head of the delegation. [paragraph continues]

I warmly welcome you in the name of the WPK and the Korean Government, and also in my own name." According to a cadre who was in charge of organizing welcoming activities in Pyongyang City, President Kim Il-song was very concerned with President Li's visit and gave instructions to successfully carry out propaganda, mobilization, and organizational work among residents of the city.

There is a fine tradition between China and Korea: Leaders of the two countries frequently call on each other and exchange views as relatives do. Chairman Mao and Premier Zhou did so during their lifetime, and this practice is still followed. Over the past few years, leading Comrades Deng Xiaoping, Hu Yaobang, Zhao Ziyang, Peng Zhen, and Deng Yingchao successively visited Korea. Besides President Kim Il-song, who has visited China many times, other Korean party and state leaders such as Kim Chong-il, O Chin-u, Kang Song-san, Pak Song-chol, and Yi Chong-ok have also visited China. This time, President Li brought along the Chinese people's deep affection for the Korean people and came to the friendly neighboring country to call on old friends and the fraternal Korean people. When the two presidents sat down side by side, they immediately looked back on situations during the war period. President Li said: "Our two countries are as closely related as lips and teeth." President Kim said: "We are one family." President Li said: "The friendship between our two countries is a friendship cemented with blood. We both shed our blood in the same trench; one cannot distinguish between Chinese and Korean blood in this trench." President Kim said: "Our friendship must be handed down from generation to generation."

This kind of close contact between leaders of the two countries has played an active role in deepening mutual understanding and in developing friendly cooperation between the two parties and two countries. At present, the two countries maintain very close political and economic relations. The two sides exchange many visits every year. Only last year, the two sides exchanged more than 300 delegations, which were engaged in a very wide range of exchanges, including political, economic, cultural, sports, scientific, and technological. As for the age of members of such delegations, the youngest was only 7 years old and the oldest was over 80.

During this visit, President Li Xiannian and President Kim Il-song held very cordial, friendly, and pleasant talks. They exchanged information about their countries' economic construction and work in other fields, and also held useful discussions on major international issues. Both sides held that easing the situation on the Korean peninsula is of great importance to realization of the independent and peaceful reunification of Korea and to the peace and stability in the Asia-Pacific region as a whole. The talks between Foreign Minister Wu Xueqian, a member of President Li's party, and Foreign Minister Kim Yong-nam proceeded in a sincere, friendly, and comradely atmosphere. The two foreign ministers discussed international issues of mutual concern. Both sides held identical views on issues discussed.

President Li's visit was a complete success. He said during his farewell banquet that he and his colleagues were "deeply gratified with the chance to contribute to the further strengthening of Sino-Korean friendship." President Kim Il-song said this was a meaningful visit, which "clearly shows the unbreakable Korean-Chinese friendship and is an important turning point for further developing the unity and friendly cooperation between our two parties and governments and between the peoples of our two countries."

Although President Li's visit has ended, the Chinese and Korean parties and Governments and the peoples of the two countries will surely further strengthen their unity, cooperate closely, and support and help each other in the course of socialist construction and in the struggle for the realization of national reunification. Through joint efforts made by the two sides, Sino-Korean friendship, which has stood the test of history and been tempered through battles, will surely develop day by day, pass from generation to generation, and shine forever.

RENMIN RIBAO ON SUPPRESSION OF DEMOCRACY IN ROK

HK250734 Beijing RENMIN RIBAO in Chinese 22 Oct 86 p 6

["Roundup" by RENMIN RIBAO reporter Xu Baokang (1776 1405 1660): "Yet Another Farce of Suppressing Democracy in South Korea"]

[Text] On the evening of 16 October, more than 1,000 policemen cordoned off the National Assembly Hall in South Korea, forbidding parliamentary members of the opposition parties to enter. The ruling Democratic Justice Party manipulated the National Assembly and forced it to adopt the resolution to arrest Yu Song-hwan, a parliamentary member of the major opposition New Korea Democratic Party. The South Korean authorities staged a farce of suppressing democracy and oppressing the opposition party in the midst of strong appeals of the people of all walks of life for more freedom and greater democracy.

On 13 October, the South Korean National Assembly called a general meeting to question the government. At the meeting, parliamentary members of the opposition parties criticized the ruling party for its policies, saying that the incumbent South Korean administration is not only "unnecessary" but also "unqualified to exist." This aroused the strong dissatisfaction of the ruling party. For this reason, the ruling party seized on Yu Song-hwan's remark in his speech to the National Assembly that the main policy of the National Assembly "should be unification instead of anti-communism," and tried to make an issue of it. It denounced Yu for making a speech "seriously imbued with the nature of tolerating communism" and for "violating the state security law," and demanded "severe punishment" for him. It also asked the New Korea Democratic Party to "publicly admit the mistake." Moreover, it called an emergency meeting to work out countermeasures. It concocted the "open letter of questioning." Giving tit for tat, the New Korea Democratic Party called an emergency meeting and an arbitral conference, pointing out that "Yu Song-hwan's remark gave no cause for criticism." Being shame into anger, the Democratic Justice Party manipulated the National Assembly and forced it to adopt the resolution on arresting Yu Song-hwan, so as to attain its purpose of "punishing one to warn a hundred."

After Yu Song-hwan was arrested, the contradiction and struggle between the ruling and opposition parties in South Korea sharpened. The New Korea Democratic Party announced that it would hold a mass rally of a large scale to expose the government's true features of suppressing democracy and persecuting the parliamentary members of the opposition parties, and that it would further launch the campaign for constitutional revision. At the same time, the students' anti-government demonstrations and struggle are surging with each passing day. Personsages in South Korea hold that by acting this way, the South Korean authorities not only will fail to suppress the forces opposing autocracy and seeking democracy, but also will hasten their own collapse.

TIAN JIYUN CONTINUES TOUR OF ASEAN COUNTRIES

Talks With Thai King

OW241854 Beijing XINHUA in English 1835 GMT 24 Oct 86

[Text] Bangkok, October 24 (XINHUA) -- Visiting Chinese Vice Premier Tian Jiyun called on King Phumiphon Adunyadet of Thailand here today.

On behalf of Chinese President Li Xiannian, Tian invited the royal couple to visit China. He also extended the invitation to other members of the royal family on behalf of the Chinese Government.

Recalling the Chinese president's visit to Thailand last year, the king said it had further promoted the friendly relationship between the two countries.

Exchange of visits between the two countries' leaders is conducive to the development to mutual understanding and friendly relationship, the king added.

Meanwhile, Deputy Prime Minister Chatchai Chunhawan, in the capacity of chairman of the Thailand-China Friendship Association, gave a banquet in honor of Tian here today.

Tian and his party arrived here on October 21 for a week-long visit to the country.

Views Sino-Thai Trade Relations

OW262208 Beijing XINHUA in English 1440 GMT 26 Oct 86

[Text] Phuket, Thailand, October 26 (XINHUA) -- Visiting Chinese Vice-Premier Tian Jiyun said here today that Sino-Thai economic and trade relations including tourism will be further strengthened since both countries are striving to develop their national economies.

He made the remarks to XINHUA when touring the Phang Nga Bay, a picturesque tourist spot in Phuket Province, southern Thailand.

Tian said that he was "deeply impressed by the development of tourism in Thailand."

Feasibility studies could be made for cooperation in this field if the two sides feel it necessary, he added.

Phang Nga Bay which borders the Andaman Sea of the Indian Ocean is dotted with majestic limestone masses honey-combed with caves. It attracts a large number of tourists from all over the world.

Tourism has become Thailand's leading foreign exchange earner in the last few years. The Thai Government has set 1987 "The Visit Thailand Year" in order to receive more tourists.

The Chinese vice-premier arrived in Phuket Island, another favorite spot for tourists, yesterday afternoon. Local sources said that the number of tourists to the island has increased sharply from 340,000 in 1983 to about 450,000 this year.

Hopes for ASEAN Cooperation

OW272108 Beijing XINHUA in English 1912 GMT 27 Oct 86

[Text] Bangkok, October 27 (XINHUA) -- "China is willing to explore new dimensions in its cooperation with the ASEAN countries in the economic, trade, scientific and technological fields," said Chinese Vice-Premier Tian Jiyun here this evening.

Tian made these remarks at a dinner in honor of his Thai counterparts Phong Sarasin and Chat Chai Chunhawan, and foreign minister Sitthi Sawetsila.

Tian's visit to Thailand is the last leg of his ASEAN tour, which has already taken him to Singapore, Malaysia and the Philippines.

"Like Thailand," he said, "the other three countries I have visited also attach importance to the development of friendly relations with China and hope to strengthen exchanges and cooperation with the country in the economic field."

The vice-premier said there are a lot of things China and the ASEAN countries could do and the prospects for such cooperation are wide and bright.

On his meetings with Thai officials, Tian said his talks with Thai deputy Prime Minister Phong Sarasin and Foreign Minister Sitthi Sawetsila were "very helpful and fruitful."

"We shared the common desire and unanimous opinion for the further development of friendship and mutual cooperation between the two countries," he noted.

In his speech, Phong Sarasin said Tian's visit will play an important role in the promotion of relations between Thailand and China in various fields.

He expressed the belief that the two countries will cooperate sincerely to further develop their economic relations.

HANOI CALLS KAMPUCHEA 'INTERNATIONAL ISSUE'

OW241308 Beijing XINHUA in English 1243 GMT 24 Oct 86

[Text] Bangkok, October 24 (XINHUA) -- Vietnam has admitted that the Kampuchean conflict is an international issue, a Thai Foreign Ministry spokesman said today.

It is the first time in eight years that Vietnam has made this recognition, according to Thai sources. Hanoi has usually presented the Kampuchean problem as an internal conflict, though it sometimes made ambiguous and self-contradictory remarks in this regard.

The Thai Foreign Ministry spokesman Sarot Chawanawirat told reporters that Vietnam's recognition was made by its deputy foreign minister Vo Dong Giang during a two-hour meeting with his Thai counterpart Praphat Limpaphan at the Foreign Ministry this morning.

In a separate interview earlier, Giang has reportedly claimed that Vietnamese troops in Kampuchea will be pulled out totally by the year 1990.

Vietnam would accept the outcome of such a move if all Kampuchean parties concerned were agreeable to it, Giang said.

However, the spokesman said, Thailand acknowledged that Giang had said as an "expose" from Hanoi and would have to see how Vietnam puts its words into action.

At the same time, Saroj also revealed that Vietnamese Foreign Minister Nguyen Co Thach had made an approach for talks with the Thai Foreign Minister Sitthi Sawetsila. Sitthi has reportedly said that he was ready to meet Thach if the talks could lead to a solution to the Kampuchean problem.

Giang arrived here on October 22 for talks with Thai officials.

The proposal for the present talks was raised by the Vietnamese Embassy here, and accepted by Sitthi, Saroj said yesterday.

He also claimed that Vietnam supports the proposal made by Kampuchean resistance leader Norodom Sihanouk that the Kampuchean problem would be solved through national reconciliation.

Vietnam's sincerity for seeking a solution to the Kampuchean problem is open to doubt since it has turned a deaf ear to all related U.N. resolutions and the peace proposal put forth by the Coalition Government of Democratic Kampuchea in March 1986.

The proposal calls for a two-phase withdrawal of Vietnamese forces from Kampuchea and the formation of a four-party coalition government including the Heng Samrin faction.

XINHUA COMMENTARY ON CAMBODIAN WAR

OW250238 Beijing XINHUA in English 0208 GMT 25 Oct 86

["Commentary: A War Between Justice and Evil in Kampuchea (by Chai Ximei)" -- XINHUA headline]

[Text] Beijing, October 25 (XINHUA) -- On the current international scene, the war in Kampuchea is a cardinal issue of right and wrong; a struggle of justice and evil and a fight between truth and power-politics.

The history of human society has proved that aggressors who trample on the independence and freedom of a nation may have their way for a time but ultimately are doomed to fail. It is characteristic of the 1980s that the just side, in this case, the Kampuchean resistance forces, enjoys increasing support while the unjust side, the Vietnamese aggressors, will never succeed.

Kampuchea, Vietnam and Laos were, at one time, three independent Indochinese nations with different nationalities, languages and customs. Vietnam however, believing itself to be "the third military power in the world," launched an aggressive war against its weaker neighbor, Kampuchea on December 25, 1978 with the support of a superpower.

After occupying Phnom Penh, the capital of Kampuchea, invasion troops rampaged across the nation perpetrating many atrocities. Hundreds of thousands of civilians were reduced to refugees, large areas of farmland turned to wilderness and Angkor Wat, the nation's artistic pride, was looted.

Are these not the evil actions of power politics?

The Kampuchean nation, born in the first century A.D., has long waged struggles against foreign invasions. During the 17th century, the Nguyen Dynasty of Vietnam annexed a large area around Mekong Delta owned by Kampuchea using various means including armed invasion, installing puppet leaders and forcing royal marriage. The Nguyen Dynasty also stationed troops in Phnom Penh, assigned Vietnamese officers to the Kampuchean Army, named Vietnamese as government officials in Kampuchea, sent in large numbers of Vietnamese immigrants and designated Vietnamese as the official language. Confronted by unrelenting resistance, the dynasty failed to realize total annexation. Its occupation troops were driven out in 1841 by insurgent Kampuchean people.

Since 1863, the Kampucheans have also fought invasions from France and Japan, finally achieving independence in November 1953.

History has attested to the futility of subjugating Kampuchea by force as it has been the tradition of the Kampuchean people to defy brute force and resist foreign enemies.

Their current resistance war, which has lasted eight years, claims the broadest support against the most vicious enemy in the country's history. The resistance forces have expanded from the single faction of Democratic Kampuchea to a coalition government made up of three parties encompassing not only armed forces personnel, but people of all social strata and including servicemen and staff members of the Hanoi-installed Heng Samrin regime. The war has spread from border areas to hinterlands, and even to districts close to Phnom Penh. The unity of the nation in fighting the invasion is unprecedented.

Another important factor in the invincibility of the Kampuchean people in their resistance war against Vietnam is that they fight not only to regain national independence, but also to defend regional and world peace and maintain international norms of justice. Their heroic struggle has foiled Hanoi in its dream of "Indochinese alliance," and prevented Vietnam from thrusting further in the region. Thus, their struggle has gained the support of the Association of Southeast Asian Nations (ASEAN) and other defenders of justice and peace.

The Kampuchean people's resistance is in the mainstream of the Third World struggle for peace, independence and development and therefore possesses great vitality. This also contributes to its invincibility. On the other hand, Vietnam's invasion of Kampuchea is but a small adversity to the desire of Third World people and will inevitably be overwhelmed by the main historical trend. The fact that the number of countries demanding Vietnamese troop withdrawal has increased from 91 in 1979 to 116 this year at the U.N. General Assembly is convincing evidence of this.

All facts prove that the flame of the Kampuchean people's national liberation war will not be put out as the world of today is one in which justice will prevail over evil and truth will triumph over power-politics.

RENMIN RIBAO NOTES VIETNAM'S ABSENCE FROM UNGA

HK260114 Beijing RENMIN RIBAO in Chinese 22 Oct 86 p 6

["International Jottings" by Rong Jiu (2837 0036): "Running Away Is Impossible")

[Text] A fantastic story has been spreading from Hanoi: Vietnam is absent from the UN General Assembly.

In the people's memory, Vietnam was not like that before.

How arrogant Hanoi's representative to the United Nations was shortly after Vietnam's aggression toward Cambodia! He often made irresponsible remarks, trying to hoodwink the public. However, just as black can never be turned into white, aggression can never have the support of the people. While sinking deeper and deeper into the quagmire of the aggressive war, Vietnam was also severely condemned and was in a very difficult situation in the United Nations. Over the past few years, this small hegemonist, which was insufferably arrogant in the past, has become silent and has even sneaked away. Vietnam's awkward position in the United Nations reflects its successive failures on the road of aggression and expansion. It is also an inevitable result of regional hegemony.

By sneaking away from the UN General Assembly, the Vietnamese authorities have presented people with a vivid picture of its isolation in the international community. It is suffering from what it has done and can find no one but itself to blame. In March this year, the Coalition Government of Democratic Kampuchea put forth an 8-point proposal on a political solution of the Cambodian question.

This reasonable and realistic proposal is widely appraised and supported by the international community, but it has been rudely rejected by Hanoi. Thus, the Vietnamese authorities become more isolated in the world. Hanoi knows very well that being condemned and accused by many countries at the UN General Assembly is hard to bear. That is why it has sneaked away. However, as the saying goes: "The monk may run away, but the temple cannot run with him." So long as the aggressive Vietnamese troops continue to stay in Cambodia, the world's condemnation will not stop even for a single day. This is what the Hanoi authorities are unable to escape.

RENMIN RIBAO ON VIETNAMESE TROOP WITHDRAWAL

HK260111 Beijing RENMIN RIBAO in Chinese 23 Oct 86 p 1

["International Jottings" By Chao Yang (2600 7122): "A Friend's Sincere Advice"]

[Text] It was reported that on 19 October Indian Prime Minister Rajiv Gandhi made a statement in Bangkok, favoring the Thai stand on the withdrawal of the Vietnamese troops from Cambodia. He urged immediate talks on this issue, and pointed out that Cambodia had a right to determine its own fate. It should not be "interfered with, subverted and coerced by any foreign country."

India has always been one of the most friendly countries to Vietnam. Premier Rajiv Gandhi's remarks are sincere advice from a friend, which show that under the present historical conditions a demand for complete withdrawal of the Vietnamese troops from Cambodia so that the tension in Southeast Asia will be eased has become a common desire of Asian countries.

Actually, judging from the situation on the Cambodian battlefield, there is no other way for the Vietnamese authorities except an early and complete troop withdrawal. During the rainy season which is to end soon, the Vietnamese troops have landed themselves in a passive position, and come under attack everywhere. Thanks to powerful support by the broad masses of people, the Democratic Kampuchean anti-Vietnamese forces are becoming stronger and stronger. Although Vietnam is deploying troops again to prepare for a dry season offensive, "an arrow at the end of its flight" is certainly of no avail. During the past 7 years or so since its invasion and occupation of Cambodia, Vietnam's economy at home has no longer been able to bear such heavy weight. Its industrial and agricultural production and markets languish. The country is heavily in debt, and its people are boiling with resentment. If the situation remains unchanged for a long time, it will be difficult for the Vietnamese authorities to preserve themselves!

Vietnamese leader Truong Chinh recently stressed at a party congress of the Vietnamese Army that Vietnam was preparing to restore talks with China at any place, time and level. This was not the first time for him to utter such remarks. However, Sino-Vietnamese relations deteriorated because of Vietnam's invasion of Cambodia. Before holding any talks with China, Vietnam should, first of all, solve the problems of completely withdrawing its troops from Cambodia. As long as the Vietnamese authorities are willing to take the sincere advice of troop withdrawal, there is no question of the improvement and normalization of Sino-Vietnamese relations.

COMMENTARY URGES SRV TO WITHDRAW FROM CAMBODIA

OW270223 Beijing Domestic Service in Mandarin 1150 GMT 23 Oct 86

["International Current Events" commentary: "Withdrawal From Cambodia Is the Only Wise Choice Left for Vietnam"]

[Excerpts] On 21 October the 41st UN General Assembly [UNGA] adopted by an overwhelming majority a resolution on the situation in Cambodia. The resolution once again demands the withdrawal of Vietnamese forces from Cambodia in order to let the Cambodian people exercise their right to self-determination without external intervention. This is the eighth time the UNGA has adopted such a resolution since the invasion of Cambodia by Vietnam at the end of 1978. [passage omitted]

As Vietnam is now confronted by three major difficulties, it should think over whether it is possible for it to continue occupying Cambodia. The Vietnamese authorities have become increasingly isolated internationally due to their obdurate persistence in occupying Cambodia. Since 1979 the UNGA has discussed the issue of the Vietnamese invasion of Cambodia every year and has also adopted resolutions demanding the withdrawal of Vietnamese forces from Cambodia. In the past 8 years the number of countries voting for the relevant resolutions of the UNGA has increased each year. [passage omitted]

Unable to bear the burden of the war of aggression against Cambodia that has continued for 8 years, Vietnam's economy is going from bad to worse. The Vietnamese people are leading a life of dire poverty. Even many cadres and Communist Party members are worried about the road Vietnam is taking. On the battlefield in Cambodia the Democratic Kampuchea resistance forces have effected an important strategic shift by spreading fighting mainly in the hinterland, forcing the Vietnamese aggressor troops onto the defensive from their frantic offensive. They are also confronted with the danger of further defeats.

Because the Vietnamese authorities are in dire straits, the only wise choice left for them is to withdraw all their troops from Cambodia as soon as possible. Not only is this the only reasonable way to effect a political solution of the Cambodian issue, it also conforms to the interests of the Vietnamese people.

The 8-point peace proposal proposed by the Coalition Government of Democratic Kampuchea [CGDK] in March 1986 is fair and reasonable and also feasible. It not only testifies to the sincerity of Democratic Kampuchea in finding a political solution to the Cambodian issue, but it also has shown much consideration to providing Vietnam as honorable withdrawal. [passage omitted] However, the Vietnamese authorities have obdurately rejected the 8-point peace proposal of Democratic Kampuchea.

Facts show that the Vietnamese authorities, supported by the Soviet Union, are continuing to resort to force in dealing with the Cambodian people in an attempt to permanently occupy Cambodia. However, by obdurately persisting in occupying Cambodia, the Vietnamese authorities are asking for trouble and will sink deeper and deeper into the mire.

Samdech Sihanouk president of Democratic Kampuchea, has declared at the UNGA that the 8-point proposal of the CGDK is the charter of the Cambodian nation and that whether Vietnam agrees or not, the CGDK will establish an independent, unified, peaceful, neutral, and nonaligned Cambodia after realizing national reconciliation. Nor forces of the Vietnamese authorities can destroy this pledge made by Democratic Kampuchea on behalf of the Cambodian nation.

HSIN WAN PAO LINKS SRV ATTACK TO PRC-USSR TIES

HK260205 Hong Kong HSIN WAN PAO in Chinese 25 Oct 86 p 1

["News Talk" column: "Sino-Soviet Relations As Viewed From the New Sino-Vietnamese Clash"]

[Text] On 19 October, a military clash occurred on the Sino-Vietnamese border. This was the first new Sino-Vietnamese clash following a statement issued by Gorbachev at Vladivostok on his willingness to improve Sino-Soviet relations.

At a weekend press conference, spokesman for the Chinese Foreign Ministry answered questions on this issue raised by foreign correspondents. He said that the Vietnamese troops carried out an armed provocation inside the Chinese border province of Yunnan, and that the Chinese border guards launched a powerful counterattack on them.

It is known to all that China has time and again stated that the three main obstacles should be removed in order to improve Sino-Soviet relations, and the problems of Vietnam's invasion of Cambodia in particular.

The Soviet troop withdrawal from Mongolia has remained lip service to date. Although it has started pulling out its 6,000 troops from Afghanistan, it is only a matter of a rotation of duties. The eye-catching problem of the Vietnamese troop withdrawal has not yet been solved. On the contrary, they have carried out armed provocations again on the Chinese border.

Therefore, in spite of the fact that Talyzin, the first deputy chairman of the USSR Council of Ministers, visited China, and that a decision was made on restoring Sino-Soviet border talks in February next year, the relations between the two countries have not yet been substantially improved.

After the death of Le Duan, Truong Chinh succeeded him and became Vietnam's leader. After Gorbachev issued his statement at Vladivostok, Truong Chinh made a special trip to Moscow to "spend his holidays" there. His purpose in so doing is, of course, to discuss what action to take in the future.

In mid-October, Truong Chinh delivered a speech at a party congress of the Vietnamese Army, stressing that developing special friendships and all-round cooperation with the Soviet Union was still a cornerstone of Vietnam's future foreign policy, and that Vietnam would continue to maintain its "strategic alliance" with the Phnom Penh regime.

Indochina will soon enter dry season, and the situation on Cambodian-Thai border has become increasingly tense. This is not purely a problem of Vietnam's invasion of Cambodia. It is also a problem whether a clash between the Vietnamese and Thai troops will occur.

Shortly after the start of the present UN General Assembly, the issue of Vietnam's invasion of Cambodia was put on the agenda. Before a debate at the session was conducted, a clash occurred on Sino-Vietnamese border. The Vietnamese troops conducted their provocation first. After that, they carried out their propaganda offensive. Its purpose in so doing is obviously to try to obstruct the debate.

However, as it did in the past, the UN General Assembly has adopted a resolution, urging Vietnam to withdraw its troops from Cambodia, and condemning its aggressive acts. More and more countries have voted for the resolutions in the United Nations. The number of countries voting for the resolutions has increased from 91 in 1977 to the present 116. This has shown that Vietnam's invasion of Cambodia is completely contrary to the will of the people.

While making a comment on the present UN resolutions, Beijing has particularly pointed out that the arrogance of the Vietnamese authorities cannot be separated from the encouragement and support by the Soviet Union. Moscow is unshirkably held responsible.

Although the new clash on Sino-Vietnamese border is only a trivial matter, it has involved the lack of improvement and development of Sino-Soviet relations. This has further proved that a substantial change in Sino-Soviet relations is remote future matter.

ICELAND'S PRIME MINISTER CONTINUES PRC VISIT

Arrives in Hangzhou

OW242050 Beijing XINHUA in English 1501 GMT 24 Oct 86

[Text] Hangzhou, October 24 (XINHUA) -- Icelandic Prime Minister and Mrs Steingrimur Hermannsson arrived here from Guilin this afternoon. They were honored at a banquet given by Governor of Zhejiang Province Xue Ju in the evening.

While in Hangzhou, the prime minister and his wife will visit a silk mill and a Chinese medicine factory and tour scenic spots around the picturesque West Lake. They are scheduled to leave Hangzhou for Xian Sunday.

Welcomed to Beijing

OW270906 Beijing XINHUA in English 0844 GMT 27 Oct 86

[Text] Beijing, October 27 (XINHUA) -- China today welcomed Icelandic Prime Minister Steingrimur Hermannsson with a 19-gun salute and cheers from hundreds of youngsters.

Chinese Premier Zhao Ziyang presided over the welcoming ceremony at the Plaza East to the Great Hall of the People over which national flags of China and Iceland fluttered.

Hermannsson, the first Icelandic prime minister to visit China, is here at the invitation of Premier Zhao. The two countries established diplomatic relations in 1971.

When the Icelandic prime minister came to the plaza this afternoon in the company of Zhu Xun, chairman of the Chinese Government's reception committee, Premier Zhao cordially gave the prime minister a warm handshake. Two Chinese children presented bouquets to Prime Minister and Mrs. Hermannsson.

Cannons boomed a 19-gun salute as Hermannsson and Zhao stood at attention for their national anthems and then reviewed a guard of honor formed by the three services of the People's Liberation Army.

Chinese State Councillor Chen Muhua and Zheng Tuobin, minister of foreign economic relations and trade attended the ceremony.

Following the ceremony Zhao had a brief conversation with Hermannsson in the Great Hall of the People.

Hermannsson and his party arrived here this morning after their visit to Shenzhen, Guilin, Hangzhou and Xian in the company of Zhu Xun.

Meets Zhao Ziyang

OW271320 Beijing XINHUA in English 1303 GMT 27 Oct 86

[Text] Beijing, October 27 (XINHUA) -- Chinese Premier Zhao Ziyang and Icelandic Prime Minister Steingrimur Hermannsson expressed satisfaction with the development of Sino-Icelandic relations here today.

In their talks held here this afternoon, the two prime ministers noted that there is still great potential for cooperation between the two countries in many fields and pledged to further their trade, economic and technical cooperation.

Hermannsson told Zhao that Iceland is concerned about world peace and fully supports efforts to ensure world peace through disarmament, including nuclear disarmament. He said that his country is willing to maintain sound relations with all other countries.

"On the issue of peace, all countries, big or small, have their rights and responsibilities," he maintained.

The prime minister said that more and more countries are pursuing an independent foreign policy for peace.

Zhao welcomed Hermannsson, the first government head of Iceland to visit China since the two countries established diplomatic relations in 1971.

He told Hermannsson that China, which is working wholeheartedly for its modernization drive, needs a peaceful international environment.

China's pursuit of an independent and peaceful foreign policy, he said, will not only facilitate its development of relations with other countries but also help maintain world peace and stability.

He said that China, which has set as its basic goal the safeguarding of peace and prevention of war, stands for easing East-West relations and disarmament for the benefit of the world's people.

"China supports all proposals and actions that will help safeguard world peace, prevent war, and promote relaxation of tension and disarmament," he averred.

The two leaders expressed pleasure at reaching identical views on many major international issues and agreed on further cooperation between the two countries in international affairs and organizations.

Zhao on Superpower Disarmament

OW271630 Beijing XINHUA in English 1559 GMT 27 Oct 86

[Text] Beijing, October 27 (XINHUA) -- Premier Zhao Ziyang said that China is ready to strengthen cooperation with all countries and work together with them for relaxing international tension and maintaining world peace.

He made this remark at a banquet given by him in honor of Prime Minister Steingrimur Hermannsson of Iceland here this evening.

Zhao said the ever intensifying superpower arms race and unabated regional conflicts are seriously imperilling world peace.

He said China has all along stood for relaxing international tensions through arms reduction, and hoped that the United States and the Soviet Union would continue their dialogue, hold serious negotiations and reach agreements without prejudice to the interests of other countries.

As the superpowers have a special responsibility for disarmament, Zhao said, they should be the first to take action in this regard.

"We also believe that with regard to important questions that concern world peace and security, they should not be monopolized by any big power. All the small and medium-sized countries should have an equal say on them and can play their due role," he added.

Zhao appreciated the efforts made by Iceland in alleviating tension in European countries.

Zhao said the Chinese people sincerely admire the successes of the Icelandic people in adopting advanced science and technology, and in building Iceland with its limited resources into a country whose per capita gross national product is in the front ranks of world countries.

He said since the establishment of diplomatic relations between China and Iceland, exchanges and cooperation between the two countries have further increased.

He noted that this year, the two sides have signed a letter of intent on cooperation in geothermal projects in China's autonomous region of Tibet.

"These exchanges and cooperation have enhanced our mutual understanding and deepened the friendship between our two peoples," he said.

Prime Minister Hermannsson said now the world has become smaller, distances shorter and the nations more and more interdependent. Even the largest and the smallest have many matters of common interest.

He expressed his belief that his visit here will help identify areas of potential cooperation.

He hoped that Iceland and China could cooperate in the field of geothermal energy as well as in fishing, fish industry and marketing, where Iceland has some of the "finest experts".

He also pointed out that in cultural areas their relationship is becoming stronger with exchange of artists and people of culture.

On the world situation, Hermannsson said Iceland has been much in the world news recently. The leaders of the United States and the Soviet Union met there.

"No country would escape a nuclear war. Turning away from the nuclear arms race is a matter of life or death for every country" he said.

He said first reaction after the meeting in Reykjavik was a disappointment. On second thought, he does not feel that the meeting was a failure. At this meeting the issues became clear and the possibilities also, and radical proposals were made.

"What is now needed," he maintained, "is a united effort by all nations, demanding that nuclear weapons be eliminated. After the proposals put forth by both superpowers in Iceland, this now seems a real possibility."

Chinese State Councillor Cheng Muhua was among those present at the banquet.

Meets Deng Xiaoping

OW280850 Beijing XINHUA in English 0829 GMT 28 Oct 86

[Text] Beijing, October 28 (XINHUA) -- Chinese leader Deng Xiaoping said here today that China supports dialogue, and does not favor confrontation.

"Holding negotiations is always better than no talks. Relaxation is better than tension," Deng, chairman of the Central Advisory Commission of the Chinese Communist Party Central Committee, told the visiting Prime Minister of Iceland Steingrímur Hermannsson.

In their meeting in the Great Hall of the People here this morning, Deng said, "The overwhelming majority of the people in the world are longing for peace. Whoever launches a war will not win support even from his allies. So peace is hopeful."

Hermannsson said he agreed with Deng's view, adding that dialogue is very important in handling state-to-state relations.

He said Iceland regards it its own responsibility and rights to work with other peace-loving countries for the safeguarding of world peace.

He said he was optimistic about the prospects for peace.

Deng said safeguarding peace is the core of China's foreign policy. To maintain peace should oppose hegemonism. [as received]

He said as early as 1920's, he learned from a novel "Pêcheur d'Islande" depicting fishermen's life that the people of Iceland are a brave and hardworking people.

He said to Hermannsson: "You have done very well and your country has now joined the ranks of developed countries."

Hermannsson said from the long history the people of Iceland have come to realize that in order to live they must work hard.

In developing its economy, Hermannsson said, Iceland has paid great attention to using advanced technology and developing its trade, economic and technological cooperation with all friendly countries.

He said his country is also willing to strengthen its cooperation with China.

Deng said there is no obstacle to developing China-Iceland cooperation. It is his hope that such cooperation will continue to grow.

Hermannsson told Deng that while in Shenzhen he witnessed the implementation of China's courageous open policy, adding that it is a sensible and bold choice. He also congratulated China on its successes.

Deng said China needs development and is hopeful. Since China implemented the open policy its first step has been successful. It will take second and third steps. China needs several more decades of hard work, he said.

RENMIN RIBAO ON ELIMINATING FEUDALISTIC VESTIGES

HK271443 Beijing RENMIN RIBAO in Chinese 20 Oct 86 p 1

[Commentator's article: "Eliminate the Pernicious Vestiges of Feudalism in Political Life"]

[Text] In rectifying party style, apart from firmly investigating and handling major and important cases in the economic sphere and curbing unhealthy tendencies in various trades, the Shaanxi Provincial CPC Committee checked the unhealthy practices in political life, in particular, in organization and personnel matters. Elimination of pernicious vestiges of feudalism should be regarded as an important task in rectifying party style, they contended. This issue is well addressed and very important. It reflects from one aspect that the work of rectifying party style is developing in depth.

The issues of party style and seeking private gain by abusing power are, in the final analysis, issues concerning political life. They are manifested in seeking money and material benefits, excessive housing, and compact cars in the economic sphere and in forming factions for selfish advantage and appointing people by favoritism in the political sphere. Some leading cadres, regardless of the party's principles and the party's and people's interests, have tried to get fairly pleasant jobs for their spouses or children, to promote them to higher positions, or to help them get into college and into the party or go into business. All this has been done through personal feelings or connections. This practice of theirs has brought grave harm to the party's cause, work style, and image and caused strong criticism from inside and outside the party.

The political line adopted by the 3d Plenary Session of the 11th CPC Central Committee is correct and so are the organizational line and the principles and policies on cadre work which serve the political line. Organizational and cadre work is now in the best shape in the last 30 years or so since the founding of the PRC. On the one hand, the main aspects of the work of cadre selection and promotion are good and on the other, there are indeed not a few problems in the work. The unhealthy tendencies in the use of personnel are a problem that calls for great efforts to solve and is also being solved with great efforts.

The unhealthy tendencies in organization and personnel matters have the distinctive characteristics of feudalism. Some cadres regard the relationships between the higher and lower levels and between comrades as a relationship of personal affiliation between emperor and subject, between master and servant, and between brothers in secret societies in the feudal society. "When a man gets to the top, all his friends and relatives get there with him." "When one falls to disgrace, so do his friends and relatives." These practices are completely contrary to the principles of party spirit of the CPC serving the interests of the people, the principle of "four transformations" of cadres, and the policy of appointing people according to their political integrity and ability. The implementation of a correct line and policies depends on the devotion of upright and honest cadres. Under the same line and policies, why can our work develop vigorously in some places and stagnate in other places? This is determined by the cadres there and by the way they carry out their work, honestly or by crooked means.

The masses of people place high hopes on the party's cadres. They observe the cadres at all times, praising good cadres and censuring bad ones. Not only do they observe whether the cadres are clean economically but they also observe whether the latter's intention of using personnel is good or evil. [paragraph continues]

Party style should be rectified in such areas as the economic sphere and political life. To solve the problems in political life may probably be more difficult than to solve those in the economic sphere. This is partly because the people involved in the misuse of personnel stay behind the scenes and more often than not they have undergone complete "procedures" with adequate "reasons" and partly because the pernicious vestiges of feudalism will play an obstructive role in investigating and handling such cases. However, so long as we are determined to bring the issue to the table and solve it in real earnest as the Shaanxi Provincial CPC Committee did, there will be no issues that cannot be solved and no unhealthy practices that cannot be curbed.

GUANGMING RIBAO VIEWS MASSES' ROLE IN HISTORY

HK271010 Beijing GUANGMING RIBAO in Chinese 8 Oct 86 p 3

[Article by Zhao Changlin (6392 1603 2651): "Several Views on History Makers"]

[Text] I. Can "the masses" be said to be history makers? The traditional views (in this article, "the traditional views" refer to those generally held by the majority of theorists after liberation) exhibit an affirmative attitude. However, Comrade Li Shu adopted a negative attitude.

I think that in a certain sense, "the masses" are history makers. Their activities and what they practice are part of history. "The masses" have created and accumulated material wealth and provided a basis for the creation of spiritual wealth. The basic elements of society, namely its productive forces, the production relations in it, its economic basis, and its superstructure, are all closely related to what "the masses" practice and their activities. All this becomes incomprehensible without reference to what "the masses" practice and their activities. Thus, it is necessary to admit that "the people and the masses" have participated in the making of history and that they are history makers. The traditional views are correct insofar as they acknowledge that "the masses" are history makers. What is wrong with these views is that they regard "the masses" as the sole creators of history and that they stress that "the masses" alone are the motive force in the development of history. They have exaggerated and regard as absolute the role of the masses in making history, thus turning a correct proposition into something incomprehensible and ridiculous.

Comrade Li Shu is right insofar as he is unhappy with the "traditional views." However, by switching from raising objections to exaggerating the role of "the masses" in the making of history to radically rejecting the role of "masses" as history makers, he has done something wrong. One of Comrade Li Shu's reasons for rejecting the notion that "the masses" are history makers is that: "The masses," productive activities and the material wealth they have created and accumulated form a historical arena, but they are not the drama itself. This analogy is inappropriate because it excludes what "the masses" practice and their activities from history. Actually, these activities and what they practice are precisely the most important and most basic things in history. They do not form a historical arena. They are history, that is, the drama itself. Comrade Li Shu's analogy has led to some inconsistency between his own views. In his article "A Second Discussion on the Making of History and Other Issues," he suggests that the creation of material conditions is part of history and that it shapes history and determines its development. [paragraph continues]

Comrade Li Shu's second reason for rejecting the notion that "the masses" are history makers is that what "the masses" practice is just the source of all material wealth. It is not equivalent to its creation. In fact, what this view suggests is that in the past, "the masses" were mainly directly involved in the creation of material wealth and indirectly in the creation of spiritual wealth, that "the masses" are not the only creators of history, and that history cannot be accounted for solely in terms of their activities. It cannot prove the proposition that "the masses" are not history makers. Comrade Li Shu has confused the concept of "the sole creators of history" with the concept of "history makers." Thus, from the notion that "the masses" are not the sole creators of history, he inferred that "the masses" are not history makers. According to this line of reasoning, none of our workers, peasants, or intellectuals is a builder of socialism because none of them can build socialism single-handedly. This is quite incomprehensible. My basic position is that whoever has participated in the making of history is a history maker. "The masses" are history makers because they have participated in the making of history. The concept of the sole creators of history is different from, and should not be confused with, the concept of history makers.

II. The traditional views deny that "heroes" and "individuals" are also history makers mainly because they regard "the masses" as the sole creators of history. By making it clear that "the masses" are not the sole creators of history and by stressing the roles of "heroes" and "individuals" in history, Comrade Li Shu has contributed to remedying the one-sidedness of traditional views. However, his view that neither "heroes" nor "individuals" are history makers is incorrect. Comrade Li Shu suggested that "the masses," "heroes," and "individuals" can make their own histories but not all histories. In fact, with the development of production, the scope of social life will widen, social division of labor will become more and more elaborate and sophisticated, and people will become more and more isolated and confined to certain domains. However, one should be able to see that as all this happens, people will become more and more interdependent, their influence on one another will become greater, the ties among them will become closer and closer, and they will become more and more inseparable from one another. If production is highly developed, the personal development of an individual will be dependent on the personal development of the individuals he directly or indirectly deals with. The personal history of an individual is inseparable from the personal histories of his predecessors and contemporaries. In fact, the former is determined by the latter. Similarly, the history of a class or a social group is also inseparable from the histories of other classes or social groups and the history of the proletariat is inseparable from the history of the bourgeoisie and vice versa. The histories of "the masses," "heroes," and "individuals" always interact. Without the history of the Chinese people's anti-imperialist, anti-feudal socialist revolution and socialist construction, either there would not have been the revolutionary struggle waged by Mao Zedong and the older generation of proletarian revolutionaries or its history would have taken a wholly different course. Similarly, without the history of the revolutionary struggle waged by Mao Zedong and the old generation of proletarian revolutionaries, the history of the Chinese people's anti-imperialist, anti-feudal socialist revolution and the socialist construction would also have taken a wholly different course. Comrade Li Shu has overlooked the close relationship between the history of "the masses" and the histories of "heroes" and "individuals," overlooked the interaction between the masses' productive activities, class struggle, and ideological and political struggles, and overlooked the effects of an elaborate and sophisticated division of labor on the masses' social intercourse, on their efforts to strengthen the ties between themselves, and on their mutual influence. In fact, he stresses the limitations people experience as a result of division of labor.

III. The traditional views give the masses the status of the masters of history and, without qualification, suggest that the will of "the masses" is irresistible and that one who violates the interests of "the people" will come to no good end. This gives people the wrong impression that history is determined by and has been created and also is being created in accordance with the will and interests of "the masses." The notion that the masses are the masters of history is thus regarded as an unconditional truth and given a subjective interpretation and the objective nature of the development of history is not recognized. Comrade Li Shu is not happy with these views, stressing that history has its objective side and is independent of "the masses" will. Obviously this is correct. However, by categorically rejecting the proposition that the masses are the masters of history and by maintaining that it is untenable whatever the time and circumstances, he has gone to another extreme. Comrade Li Shu's two main reasons for rejecting the proposition that "the masses" are the masters of history are: First, as a process of the development of nature and society, history is different from all artifacts. Thus, the concept of "the masters of history" is not scientific. And second, "the masses" do not always play a dominant role in history. Thus, the concept is inconsistent with facts. I think that these two reasons should be reexamined. First, although it is true that history is a process of the development of nature and society, the contents, the nature, and the outcome of various objective processes in a given historical period are all intrinsically and essentially related to the activities, interests, and will of specific classes. For example, during the transformation of the slave society into a feudal society, the activities and interests of the rising landlord class became the basic issues of the time. They gave the period its characteristics and defined the course of its development. On the one hand, the will of this landlord class had a great influence on this period. However, on the other hand, it was during this period that conditions were ripe for the dominance of its will and interests. We can infer from this fact that the rising landlord class was the master or dominant class of the period and refer to the period as the period of the landlord class. Similarly, we can also say that the bourgeoisie was the master or dominant class of the transitional period during the transformation of the feudal society into a capitalist society and that the proletariat is the master or dominant class of the transitional period during the development of the capitalist society into a communist society. The historical fact that the rising landlord class and the bourgeoisie were either masters or dominant classes of two different historical periods and the fact that the proletariat is the master or dominant class of a third historical period are proof that the masses are the masters of history. Second, according to Marxism, "the masses" mainly refer to the laboring people involved in material production. Can the laboring people be said to be the masters of history? My opinion is that one can say so. The laboring people's productive activities and what they practice are the most basic contents of history. They determine the direction and scope of social development and all activities in society are derived from them. It can be seen from this point of view that the laboring people are the masters of history who play a dominant role in it. Second, history develops through revolutions. A revolution is a violent act of a progressive class against a reactionary ruling class. However, the laboring people have participated in all revolutions. During the rising landlord class's struggle against slavery, there were slave uprisings. Many peasants and farm hands participated in the anti-feudal struggle waged by the bourgeoisie. The victory of the rising classes was mainly a result of the struggle waged by the laboring people.

The proposition that the masses are the masters of history is an objective truth. Like other objective truths, it is a conditional, relative truth. What it reflects is the reality or an actual set of relations under certain conditions. We neither deny that it is conditional in nature nor give it an absolute value by applying it to where it is non-applicable or by giving it a subjective interpretation. By suggesting that as the masters of history, the people can make and shape history according to their own will and interests, the traditional views have confused a truth that is applicable only under certain historical conditions with a truth applicable under all historical conditions. Similarly, we cannot, just because the proposition that the masses are the masters of history is a conditional truth applicable only under certain historical conditions, deny that it is a truth at all.

RESULTS OF ENTERPRISE REFORM STILL UNEVEN

OW271105 Beijing XINHUA Domestic Service in Chinese 0910 GMT 24 Oct 86

[By reporter Ge Daxin]

[Excerpts] Beijing, 24 Oct (XINHUA) -- Results obtained by various government departments in checking how decision-making powers are being transferred to various enterprises indicate that China has made achievements in helping enterprises expand their decision-making powers during the past several years, but that progress has been uneven. How to promptly and completely transfer the decision-making powers the state has decided to be transferred to various enterprises is the key to invigorating these enterprises. Recently the State Economic Commission, in coordination with the State Planning Commission and other financial, banking, supply, commodity price, and labor and personnel departments, formed six inspection teams to inspect Shandong, Henan, Jiangsu, Zhejiang, Fujian, Shaanxi, Hubei, Sichuan, Yunnan, Gansu, and other localities to check how the policy of transferring decision-making powers to various enterprises was being implemented. At the same time, the various localities also conducted self-examination. After directly checking and analyzing several hundreds of enterprises, the inspection teams realized that the work of transferring decision-making powers was being carried out fairly well in some enterprises. About 20 percent of the enterprises had been truly invigorated as a result. However, many enterprises, particularly large and medium-sized ones, showed few signs of vitality due to lack of decision-making powers. Some of them had not even begun to show any signs of vitality for the same reason. The changes which had taken place in those enterprises with larger decision-making powers deeply impressed the comrades who participated in the inspection. [passage omitted] However, as seen from the results of the inspection, the number of enterprises with larger decision-making powers is still limited, and the policy of helping enterprises expand decision-making is still not being implemented in most enterprises. Therefore, the enterprises in various localities generally welcome inspection teams to check the local situation. They hope that leaders of higher levels will help them solve problems and tackle issues in expanding decision-making powers. The main problems troubling the enterprises are as follows:

The new policy allows factory directors to appoint deputy directors, but often higher authorities elbow their way in by showing favoritism in filling positions, without consulting the factory directors. Enterprises often experience interference in hiring workers based solely on their qualifications. Enterprises have not had full responsibility in setting up factory structures, resulting in overstaffed departments. [passage omitted] Enterprises have not been granted free use of funds. Unreasonable "local policies" and various arbitrary requisitions of money or labor power are still being imposed on various enterprises, cutting into their profits. [passage omitted]

Leading comrades of some economic departments fail to clearly understand the decisions and regulations set down by the central government in helping enterprises expand decision-making powers, while others have never studied them carefully. On the other hand, some factory directors are too timid to exercise the management powers now in their hands. [passage omitted]

The relevant departments under the State Council and people in the economic sphere hold: The results of the inspection tours show the complex nature of the contradictions between China's new economic system and its old one. In setting up the framework of any new system from now on, we must further help enterprises enhance their vitality. First of all, we must gradually tackle the issues of refusing to delegate more decision-making powers to enterprises, of arbitrarily demanding money or requisitioning labor power from enterprises, and of helping managers of various enterprises improve their qualities. As for the expansion of decision-making powers in various enterprises, the governments at all levels and the departments in charge of this matter should establish the necessary responsibility systems, implement the various policies set by the state one by one, establish clear-cut division of work, make the necessary duty assignments, and coordinate with each other in carrying out reform. They must make use of the results in performing these tasks to evaluate the various departments and their principal responsible persons. At the same time, it is suggested that the state quicken its pace in establishing relevant decrees and regulations to protect the rights and interests of enterprises.

NEW SECRETARY GENERAL FOR UNITED FRONT BODY

HK280905 Hong Kong WEN WEI PO in Chinese 28 Oct 86 p 2

["Special Dispatch" from Beijing: "The United Front Work Department of the CPC Central Committee Is Reshuffled; Hu Deping Is Appointed Secretary General of the Department"]

[Text] The post of secretary general of the United Front Work Department of the CPC Central Committee has been taken over by Hu Deping.

Chen Xin (female), former secretary general of the United Front Work Department, was transferred to become vice minister in charge of the State Nationalities Affairs Commission in August. Hu Deping, who was originally a vice curator of the Museum of Chinese Revolutionary History, was appointed secretary general of the United Front Work Department.

Since he took office more than 1 month ago, Hu Deping has frequently gone, by bicycle, to call on representative figures of the leading bodies of democratic parties. This has left a deep impression on people.

LIAOWANG ON TECHNOLOGY'S ROLE IN ECONOMY

HK270907 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 41, 13 Oct 86 pp 8, 9

[Article by Li Du (2621 2629): "China Is Technologically Paving the Way for an Economic Takeoff"]

[Excerpts] China recently announced in an official document which technologies will be adopted by the government, which technologies will be developed on a priority basis, and which technologies will be restricted or dropped. [paragraph continues]

This has aroused the attention of technological, economic, and business circles at home and abroad.

This blue book on "China's Technology Policy" containing over 4,000 pages spells out in detail the main points of the state's general and specific policies in 12 special fields, relevant background data used for policy formulation, and data provided by specialists to support relevant arguments. It covers various important technological areas in China's modernization effort, draws on the latest trends in scientific and technological development at home and abroad, and sets forth, on the basis of adequate proof, a fundamental line and fundamental goals for the development of China's science and technology. Therefore, it can be said that it provides an important scientific basis for the modernization of China. These 12 special fields are energy, transportation, telecommunications, agriculture, consumer goods industry, machinery industry, material handling industry, construction materials industry, urban construction, town and township construction, the building of urban and rural housing, and environmental protection.

This document is aimed at strengthening the state's macroeconomic guidance over scientific and technological work. Its appearance has ended the long history of China's not having its own technology policy system as a guide for the coordinated development of various industrial sectors of the country. It shows that China has switched from a spontaneous to a conscious state concerning technological and economic policies. This is an indispensable step in China's march toward modernization, though it has come about a bit too late. [passage omitted]

The Establishment of a New Technology Composite [subhead]

China has been a bit late in carving out its technological path, but there is an advantage in this. The new technical revolution being launched in developed countries has brought it much new information. This has enabled the Chinese to understand the future trends in industrial development and to reflect on China's past policy, thus formulating a set of technology policies compatible with the country's conditions.

China has set its goal of economic development. Beginning from 1980, there is to be an average increase of around 7 percent in total annual industrial and agricultural output value, with total national industrial and agricultural output value "quadrupled" by the end of the century and with the per capita national income reaching \$800 to \$1,000, the level of being relatively well off reached. According to a World Bank estimate, China's gross national product will then greatly exceed that of Italy and of Britain, ranking sixth in the world, or fifth ahead of France.

International experience shows that the period of a country's transition from a low to a high income level is exactly one of the industrial structure undergoing obvious changes and the process of industrialization accelerating. China has taken note of this. It is readjusting its industrial and technological structures. Generally speaking, as far as heavy industry and light industry are concerned, light industry will develop more quickly than heavy industry. Concerning traditional industries and technologies and new industries and technologies, the latter's development will be quicker than the former's. The construction materials industry, building industry, machinery industry, light, textile and food industries, transportation, telecommunications, and energy industry will be the sectors given priority in future development. Through readjusting the industrial mix, promoting technological progress, reducing the strain on communications and transportation, and reducing the consumption of energy and resources, the industries will be enabled to transform from labor intensive to intelligence intensive. This is a focus of China's technology policy.

To this end, China will apply new technologies, in a planned manner, in order to transform traditional industries and equipment, train technical forces and raise the technological level. Meanwhile, it will follow for a period of time a policy centering on the development of traditional technologies. High technologies will be led by electronics and information as pacesetters, with traditional industries and traditional technologies being the primary market. The aim is to change the old state of traditional technologies and form "a technology composite" combining high technologies and traditional technologies.

With the adoption of such an idea of technical strategy as a "technology composite," China aims at the following goal: After three 5-year periods of effort, the comprehensive technical level of various industrial sectors of the country is to reach that of the developed countries in the late 1970's and early 1980's. China's capacity for developing technologies and developing new products will be raised 1.5 times from now. The capacity for making its own equipment will be raised from the existing 60 percent to a level of being basically able to produce its own equipment. On this matter, Premier Zhao Ziyang clearly pointed out: "By the end of the century, those production technologies which were universally adopted in economically developed countries in the 1970's or early 1980's and which are suited for our country's needs and are advanced must be basically popularized in our industrial and mining enterprises by the end of the century in order to form a technical system with our country's features." He specially stressed: "Conditions vary with various lines and trades. As to the level which we can reach technically, we must take a down-to-earth approach. We must not 'scramble' to 'overtake and surpass each other and must not 'apply the same fixed standard' in each case. In the same trade, we must also make a concrete analysis."

This is to say that China has adopted a policy calling for technological development at various levels appropriate to industrial development at various levels. This fits in with the fundamental conditions of the country with its rich labor resources and natural resources and its shortage of funds and technology. According to a forecast by experts, with a technical system established on the basis of this idea, the coming 10-plus years will be an important period in the full development of China's traditional technologies and industries and the growth of new technologies and industries.

Attach Importance to Technology and Show Respect for Talent [subhead]

Behind the appearance of the blue book on China's technology policy, there is a thriving scene of China's setting store by technology and putting value on technical personnel: Hackneyed concepts have been smashed. Technology has been treated as a commodity and not the fruit of labor without compensation. There is a booming market in technology throughout the country. [passage omitted]

As early as 1978, Deng Xiaoping gave the development of science and technology the green light. At that time, more than 6,000 scientists, technicians, and management cadres from throughout the country gathered in Beijing to study and formulate "The Outline of the 1978-85 National Plan for Scientific and Technological Development" in an effort to revitalize China's science and technology. This document was approved at the national science meeting and won government support. The outline allowed overall arrangements to be made for scientific and technical research tasks involving 27 areas, including natural resources, agriculture, industry, national defense, transportation, marine resources, environmental protection, medicine and sanitation, culture and education, finance and trade, and so forth and involving fundamental science and technical science put in two major categories. [paragraph continues]

Of these, eight comprehensive subjects, such as agriculture, energy, materials, electronic computers, lasers, space, high-energy physics, and genetic engineering, having an impact on the situation as a whole, were put in a prominent place. In 1982, the main contents of this plan were changed to take the form of 38 science and technology items to be tackled at the state level; these were gradually carried out on a solid basis.

If the past several moves are inclined toward emphasizing science and technology, then the technology policy blue book worked out this time can be described as providing an opportunity for the technicians in industrial sectors to show their full powers. It can thus be expected that given a switchover in China's attention from politics to economics and from closure to openness, the enthusiasm of the 6 or 7 million specialized scientific and technical personnel will be aroused and the wisdom of more than 1 billion workers distributed over 1 million-plus large and small enterprises throughout the country will also be called into action.

Eight years ago, the epochal 3d Plenary Session of the 11th CPC Central Committee was called. The development of science and technology was, for the first time, elevated to an important position. This means the great awakening of a nation. A nation without thinking is incapable of holding its own in the world of advanced nations. Without scientific and technical progress, China cannot possibly achieve economic and social modernization. The "Science and Technology White Paper" as a guide to the science and technology policy and the "Science and Technology Blue Book" on China's Technology policy involving 12 special areas successively promulgated by China will pool together the wisdom of millions upon millions of people. Like a rocket packed with tremendous power, it will push China's economic construction forward in a fixed direction, in a fixed orbit!

NATIONAL MEETING ON PROCURATORIAL TASKS ENDS

OW271853 Beijing XINHUA in English 1556 GMT 27 Oct 86

[Text] Beijing, October 27 (XINHUA) -- The key tasks of procuratorial work for next year will be the eradication of torture to extract confessions, illegal detention, dereliction of duty by police officers and accidents caused by negligence, a senior procurator said here today.

At a national meeting which closed today, Zhang Siqing, deputy chief procurator of the Supreme People's Procuratorate, said the procurators' offices should put the emphasis of their work on major offenses.

Between January 1985 and June this year, procurators' offices throughout China handled more than 1,700 major cases, 1,900 cases of dereliction of duty and 1,000 accidents related to negligence. They placed a total of 10,000 cases on file for investigation and prosecution during the period.

The meeting, which opened last Monday, was attended by 80 procurators from all provinces, autonomous regions and municipalities.

CREDIT COOPERATIVES SUPPORT PEASANTS' PRODUCTION

OW271444 Beijing XINHUA in English 1433 GMT 27 Oct 86

[Text] Beijing, October 27 (XINHUA) -- Credit cooperatives have helped increase production in the Chinese countryside over the past four years, an official of the Agricultural Bank of China said today.

From 1983 to September of this year, the cooperatives supplied loans totalling more than 206.3 million yuan (55.8 billion U.S. dollars) to individual farmers and rural factories.

When the books were balanced at the end of September, peasants' savings deposits totalled 84.6 billion yuan (22.8 billion U.S. dollars), 45.6 billion yuan (12.3 billion U.S. dollars) more than in 1982. Outstanding loan balances to the peasants at the same time were 59.2 billion yuan (16 billion U.S. dollars), an increase of 47.1 billion yuan (13 billion U.S. dollars) over 1982.

In rural areas, there are now 400,000 cooperatives, averaging one for every two villages. Credit cooperatives offer savings accounts and make loans to individuals, factories, and businesses and fall under the jurisdiction of the agricultural bank.

PLA SAID TO MAKE PROGRESS IN MODERNIZATION

OW271912 Beijing XINHUA in English 1518 GMT 27 Oct 86

[Text] Beijing, October 27 (XINHUA) -- Progress is being made in an overall restructuring of the People's Liberation Army of China as part of its modernization program, military sources told XINHUA.

Since the enlarged meeting of the Central Military Commission last June, where it was decided that diversification in Army construction guidelines were needed to satisfy the new situation in the country, the Army has gone through adjustments, streamlining and reform, with five basic trends surfacing:

-- The Army is being reorganised from a long-standing unified entity to different divisions and troops set-up according to tasks, regions and climate conditions.

-- Soldiers are beginning to receive diversified training, including specialized and directional training in laser technology, electronic analog and automatic command systems. New combined tactical training centers are also being set up.

-- After reform and adjustment, military academies are offering more courses pertinent to China's modernization as well as future warfare. At present, the military academies are divided into two categories: Officer training and special technology academies.

-- Emphasis on military scientific research has opened up more than 70 frontier sciences such as military engineering, military operational research and defense economics, and military exchanges with foreign countries have increased.

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CHINA
PRC NATIONAL AFFAIRS

-- In addition to opening barracks, airports, docks, railways and highways to civilian use, becoming actively engaged in the construction of state or local key projects has become the military's major form of help in developing the national economy.

XINHUA ON PRC AIR FORCE PHYSIOLOGICAL TRAINING

OW271856 Beijing XINHUA in English 1549 GMT 27 Oct 86

[Text] Beijing, October 27 (XINHUA) -- The Chinese Air Force is starting aeronautical physiological training to improve the expertise of pilots, according to departments concerned.

Designed to improve pilots' aerial adaptability and plane handling ability, the courses mainly include high-altitude low-oxygen experience, pressurized breathing exercises and the prevention of flight hallucinations.

The Air Force began this kind of training in 1985, and according to military sources, the training not only tested equipment performance, but also found training methods well-suited to Chinese flyers.

Some pilots said after being trained, they have become more confident in coping with in-flight problems and that their sense of flight safety has increased.

The Air Force has set up several training centers at some of its academies across the country to develop and import advanced training equipment and to train pilots during their ground time.

CHINA-MADE HELICOPTER PERFORMS AT GUANGZHOU FAIR

HK280517 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1030 GMT 23 Oct 86

["Newsletter" by Li Yunxiang (2621 0061 4382): "Viewing Maneuver of China's 'Zhi-9' Helicopter"]

[Text] At 0930 on 15 October, a helicopter called "Zhi-9" in white and blue check appeared in the sky over the square of Guangzhou's foreign trade center. The helicopter manufactured by the Harbin Aircraft Manufacturing Company under China's Ministry of Aviation Industry was performing acrobatics for the 60th Guangzhou Export Commodity Fair.

Suddenly, the "Zhi-9," which was wheeling in the sky over the square, stopped without any stir. Seizing this opportunity, cameramen of the central TV Station and Guangdong TV Station took the whole view of the fair. After that, the helicopter flew ahead on one side, and wheeled around the sky to perform "fairy maidens spreading flowers." The "Zhi-9" then towed five lines of green smoke, shuttling across the sky over the square. The smoke was interwoven into a net. What a good-looking scene!

But this was only a prelude. Other excellent performances were given at the Beiyun Airport, which included: Wheeling around at great angle, staying suspended in midair, touching upon the ground with one wheel and then making a turn, rapid crabbing, rapid rise vertical taking-off and so on. Touching upon the ground with one wheel and then making a turn is a unique skill of helicopter flight, which effectively tests the technique of pilots and the capabilities of the aircraft. The helicopter touched upon the ground lightly at an angle of 30 degrees. A single wheel sustained the fuselage. After that, it easily made a quick turn. Such an appropriate use of mechanics was unanimously praised by experts.

All the audience suddenly held their breath. It was because the pilots were performing a rapid rise and the aircraft stood upside down. When the helicopter was moving rapidly, it suddenly jumped up, and stood upside down in the sky. When it was suspended in midair, it seemed that it would fall down. The audience was startled by it. At this critical moment, it suddenly turned over and moved forward.

After that, the "Zhi-9" practiced a maneuver of vertical rise. It seemed as if the helicopter was not affected by airflow. It could easily fix its position and orientation, rise and descend freely just like a lift.

After the maneuver this reporter talked with the pilots. They were Ye Guanwei and Luo Zaojin, pilots of the Guangzhou Civil Helicopter Company. They have piloted various kinds of helicopters. Some of them were manufactured by China, while others were imported. They once flew a helicopter over remote mountains in Yunnan, and filmed a car race in Macao. They said: The "Zhi-9" manufactured by China is structurally light, can fly at high speed, and operate efficiently. It is comparable to helicopters manufactured by foreign countries.

STATE COUNCIL ON PROBLEMS IN FOREST INDUSTRY

OW240141 Beijing XINHUA Domestic Service in Chinese 0118 GMT 22 Oct 86

[Excerpts] Beijing, 22 Oct (XINHUA) -- The General Office of the State Council recently transmitted to the whole nation the "Summary of the Conference on Studying and Solving the Problems of the Forest Industry in State-Owned Forest Zones," urging all localities to earnestly implement it.

The summary says: Leading comrades of the State Council recently heard and discussed the reports by the Forestry Ministry and the people's governments of Heilongjiang Province and Nei Monggol Autonomous Region on the problems of forest industry. The conference maintained that the forest industry's important contributions to national construction since the founding of the PRC should be fully affirmed. The existing problems in state-owned forest zones deserve great attention. This syndrome of problems requires comprehensive treatment. Effective measures should be taken to invigorate forestry and increase the ecological, social, and economic benefits of forests. We should enable forest resources and enterprise economy to promote each other's development during the Seventh and Eighth 5-Year Plans by engaging the efforts of all parties concerned. [passage omitted]

The summary says: The Forestry Ministry should conduct careful studies and come up with explicit and correct guidance, strategic plans, and principles for operation in forestry.

In the future, the management of forests should be regarded as the foundation of forestry. Tree felling and planting should proceed hand in hand and forest resources should be exploited in a comprehensive manner in order to ensure all-round development of forestry. [passage omitted] It is necessary to closely study the question of management structure. Existing forest management structure is inadequate in many aspects. The relationships between higher and lower levels, between different administrative regions, and between the government and the enterprise have not been clarified, thereby restricting the enthusiasm of all parties concerned. Special research should be conducted in the case of more complicated problems. [passage omitted]

Operation and management should be improved to yield better economic benefits. The problem of overstaffing in existing forest enterprises should be alleviated. In areas where forest resources have been depleted, the forestry bureaus should promptly transfer surplus personnel to other fields of endeavor such as forest management and diversified economy, or to the newly developed forest zones. More possibilities for production should be offered, and special efforts should be made to actively organize workers and their family members to develop tertiary industry in various forms. In no way should the state take charge of everything.

For a long time to come, the state will provide support for forestry by appropriately increasing its investment. During the Seventh 5-Year Plan, we should be determined to lower the rate of excessive tree felling, and gradually adjust it to a reasonable production level. A responsible system should be instituted for tree felling. The felling of trees outside of state plans should have the approval of the departments in charge under the State Council, otherwise forestry departments and local governments will be held accountable. The increased revenues resulting from the rising timber price this year will all be spent on forestry, after product taxes have been paid for. The summary also proposes that regulatory taxes be exempted. The local authorities should give preferential treatment in terms of income taxes. From now on, when investment in agriculture increases, forestry should also get its share. Projects capable of yielding funds for repayment may also make use of foreign capital. Starting next year, the People's Bank will annually provide the forest industry with discount loans. The work of extending discount loans by the Bank of Agriculture to the forest industry should be carried out without delay.

GUANGMING RIBAO TO CARRY NEW OBITUARY COLUMN

OW270714 Beijing XINHUA in English 0705 GMT 27 Oct 86

[Text] Beijing, October 27 (XINHUA) -- Starting today, the GUANGMING DAILY will publish a special column of obituary notices for senior intellectuals and those who made outstanding achievements.

This is the first time that a newspaper in China has inserted such a column to mark the deaths of intellectuals. China's newspapers usually carry obituary notices for senior officials and other well-known persons.

The paper will carry obituaries of people who have attained titles, such as associate professor, or made outstanding contributions to their field of work during their lifetime.

Each obituary notice must be limited to 150 Chinese characters, the paper said. Work units are requested to mail the wording of the obituary and a copy of the death certificate to the general editorial office, GUANGMING DAILY, Beijing.

XI ZHONGXUN, HU QIAOMU ATTEND WANG YI'S FUNERAL

OW160613 Beijing XINHUA Domestic Service in Chinese 1431 GMT 14 Oct 86

[Excerpts] Beijing, 14 Oct (XINHUA) -- A ceremony to pay last respects to the remains of Wang Yi, an outstanding member of the Communist Party of China and permanent vice chairman of the All-China Journalists' Association, was held at the auditorium of the Babaoshan Cemetery for Revolutionaries in Beijing today.

Comrade Hu Yaobang, Chen Yun, Peng Zhen, Wan Li, Yang Shangkun, Hu Qiaomu, Yao Yilin, Deng Liqun, Lu Dingyi, Geng Biao, Wang Renzhong, Gu Mu, and Zhu Houze sent wreaths.

Wang Yi hailed from Langzhong County, Sichuan Province. He pursued revolution even as a student. He joined the CPC in 1938. [passage omitted]

Nearly 600 people, including Xi Zhongxun, Hu Qiaomu, Han Guang, Han Tianyou, Zhu Muzhi, Wu Lengxi, Wang Daming, Qiao Liren, and Mu Qing, paid last respects to the remains of Wang Yi. [passage omitted]

Wang Yi served as member of the Fifth and Sixth CPPCC National Committees, was deputy chief editor of RENMIN RIBAO, and director of the Information Bureau of the Propaganda Department of the CPC Central Committee. He died of illness in Beijing on 22 September aged 67. When Wang Yi was critically ill, Comrades Yao Yilin, Deng Liqun, Song Ping, and Zhu Houze called on him in hospital.

WANG BINGIAN ATTENDS SCIENCE EXHIBITION OPENING

OW151811 Beijing XINHUA in English 1505 GMT 15 Oct 86

[Text] Beijing, October 15 (XINHUA) -- More than 100 corporations and scientific research organizations from around the world are displaying their sophisticated instruments and research achievements in biotechnological engineering at an exhibition which opened here today.

The six-day exhibition on biotechnology and life sciences is the first of its kind held in China since the founding of the People's Republic 37 years ago. State Councillor and Minister of Finance Wang Bingian cut the ribbon at the opening ceremony.

On show are exhibits of ultrafiltration systems, analyzers, purificators, biotechnology synthesizers, ultra-high speed centrifugal machines and pilot fermentation systems, as well as biotechnological products from manufacturing firms and corporations from Australia, Britain, the Federal Republic of Germany, France, Japan, Sweden, Switzerland, the United States and Hong Kong.

Over 70 Chinese corporations and biotechnical research units are attending the exhibition. They are displaying their research achievements in plant tissue culture techniques, the development of new genetic engineering products and application of biotechnology in enzyme production.

During the exhibition, the participating companies will give technical seminars on 25 subjects, including techniques and instrument design in gas and liquid chromatography, on general strategy for the design, integration and automation of bioprocesses, and recent advances in biotechnology and molecular biology. They will also hold negotiations on biotechnical cooperation.

Biologist Shen Yumin told XINHUA that China has listed biotechnical engineering as one of the key projects during the Seventh Five-Year Plan period (1986-90, and is focussing on developing gene, cell enzyme and fermentation engineering in the coming 15 years.

He said he hoped China would carry out biotechnical cooperation in these fields with its overseas counterparts.

The exhibition was jointly organized by the China Huayang Technology and Trade Corporation, the China International Trust and Investment Corporation, and China International Convention Service Limited.

Wang Chuanxian, president of the Huayang Corporation, said that the second such exhibition will be held in Shanghai in 1988.

WAN LI MAKES INSPECTION TOUR OF SHANGHAI

OW240627 Shanghai City Service in Mandarin 0100 GMT 23 Oct 86

[Text] According to a XINHUA dispatch, Wan Li, member of the CPC Central Committee Political Bureau and vice premier of the State Council, recently inspected Shanghai. He encouraged people in the municipality to persistently carry out reforms, fully arouse the initiative and creativity of the cadres and masses, raise economic results, effectively conduct education in professional ethics and work discipline, and do a good job in the building of socialist material and spiritual civilization.

On the morning of 20 October, Vice Premier Wan Li inspected a new railway passenger station under construction in Shanghai. He said repeatedly: A new passenger station being built in Shanghai in the 1980's should not only have modern equipment but modern management.

On the morning of 21 October, Vice Premier Wan Li visited an exports and clothing exhibition sponsored by the Shanghai Municipal No 2 Light Industry Bureau. He said he hoped that Shanghai would make full use of its favorable conditions, have a current understanding of the international market, and design and produce more marketable products in order to earn more foreign exchange for the state.

While his stay in Shanghai, Comrade Wan Li also inspected the Hongqiao Development Zone, the new (Ouyang) Village, Nanjing Road, the bund, and Hongqiao Road. He praised the design of the S-and-O-shaped overpasses on Nanjing Road as new and original, pleasing to the eye, and suitable for local conditions.

On the morning of 20 October, Vice Premier Wan Li heard a briefing by the Shanghai Railway Subbureau on the implementation of a responsibility system at various stations and in various sections.

Accompanied by Secretary Rui Xingwen of the Shanghai Municipal CPC Committee, Mayor Jiang Zemin of the Municipality and Minister of Railways Ding Guangen, Vice Premier Wan Li inspected relevant departments and heard briefings from them.

DENG LIQUN ATTENDS HUNAN MONUMENT INAUGURATION

OW270417 Beijing XINHUA Domestic Service in Chinese 1212 GMT 26 Oct 86

[Excerpt] Changsha, 26 Oct (XINHUA) -- Some 5,000 people in Sangzhi County, Hunan Province, held an inauguration ceremony at Liujiaping for a "monument at the place of departure on the Long March by the 2d Front Army of the Chinese Workers' and Peasants' Red Army." Ribbons were cut during the ceremony by Deng Liqun, member of the Secretariat of the CPC Central Committee; Liao Hansheng, vice chairman of the NPC Standing Committee; Zhang Pinghua, member of the Central Advisory Commission; and Mao Zhiyong, secretary of the Hunan Provincial CPC Committee.

It was at Gantianba of Lilujiaping that the Red 2d and 6th Army Groups led by He Long, Ren Bishi and Wang Zhen broke out of enemy encirclement and began their Long March on 19 November 1935. [passage omitted]

FANG YI TOURS CENTRAL CHINA ENGINEERING COLLEGE

HK271011 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 24 Oct 86

[Text] When inspecting Central China College of Engineering on 22 October, Fang Yi, member of the Political Bureau of the CPC Central Committee and state councillor, emphasized that it is necessary to resolutely introduce reform and set store by the opening-up policy in higher education.

Comrade Fang Yi visited a few laboratories of Central China College of Engineering, including the laser, pattern recognition, hydroelectric and energy, and burning theory laboratories. Having listened to a brief by the responsible comrade of Central China College of Engineering on the development of the college, Comrade Fang Yi said: In dealing with higher education, we must resolutely introduce reform and set store by the opening-up policy. During the Seventh 5-Year Plan, your college must devote great efforts to improvement of your academic standards and seek development in doing so. You do not have to worry about your poor conditions and low qualifications. So long as you are determined and can keep up your morale, you will be able to raise your teaching quality.

Having learned that Central China College of Engineering had sent more than 500 teachers and graduate students to study abroad in the past few years, Comrade Fang Yi felt satisfied and said: Yes, we must update our concepts. Our men have made many inventions abroad. Promoting international academic exchanges will be advantageous for us.

Comrade Fang Yi appreciated the measures that Central China College of Engineering had taken with a view to implementing the guideline of all-round development of moral, intellectual, and physical qualities. He gladly wrote the college an inscription, which read: Full of Vigor and Vitality.

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K 17

CHINA
PRC NATIONAL AFFAIRS

YANG SHANGKUN ATTENDS CEREMONY FOR NEW THEATER

OW260750 Beijing XINHUA in English 0719 GMT 26 Oct 86

[Text] Beijing, October 26 (XINHUA) -- Construction of a new opera theatre started here earlier today.

Situated in northeastern Beijing, the 1,600-seat, new theatre covers an area of 18,000 square meters. Its stage, designed by a designing research institute under the Commission of Science, Technology and Industry for National Defense, can be lifted, lowered or revolved, with all mechanical facilities controlled by computers.

Upon its completion in 1989, the theatre of the Central Opera Troup will be China's first self-designed and self-made modern theatre.

Song Muwen, vice-minister of Culture, said at today's foundation stone laying ceremony that the theatre suitable for large operas and dance dramas will be used as the national theatre before the latter is built.

Yang Shangkun and Wang Zhen, vice-chairman of the Central Military Commission and member of its Standing Committee, Beijing XINHUA Domestic Service in Chinese at 0639 GMT carries a report on the ground breaking ceremony without mentioning the Titles of the participants. Wang Zhen's name precedes that of Yang Shangkun Zhou Gucheng, vice-chairman of the Standing Committee of the National People's Congress, and Wang Meng, minister of culture were those attending the ceremony.

HU YAOBANG MEETS JIANGSU CPC SESSION DELEGATES

OW271107 Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 25 Oct 86

[Text] A work session of the Jaingsu Provincial CPC Committee was held in Nanjing from 22 to 25 October. Hu Yaobang, general secretary of the CPC Central Central Committee, received the session's participants and had a photo session with them on the morning of 25 October.

Comrade Han Peixin, secretary of the provincial party committee, spoke at the closing of the session, outlining the committee's general plan and key tasks for next year.

He said: The general requirements for the work next year are to earnestly implement the guidelines of the 6th Plenary Session of the 12th CPC Central Committee, to persist in building the two civilizations simultaneously, to promote economic construction and reform and accelerate opening to the outside world, and to mobilize all positive factors to maintain steady, sustained, and balanced growth of the national economy and achieve progress in building spiritual civilization so as to greet the convocation of the 13th national party congress with concrete deeds.

Stressing the importance of studying and implementing the CPC Central Committee's resolution for doing solid work in building spiritual civilization in Jiangsu, Han Peixin urged party committees from the provincial down to the city and county levels to meticulously organize and make specific arrangements for study sessions, primarily study sessions for party member-leading cadres at and above the county level. He said: It is necessary to organize study in the light of reality in order to inspire participants to compare and find out the gap between their views and the guidelines of the resolution on questions concerning the building of spiritual civilization, to summarize their major experiences and lessons in the work over recent years, and to map out future plans, thereby enhancing their ideological standards in a true sense. After grass-roots organizations study and obtain a better understanding of the resolution, we should help them map out concrete plans, based on careful study and investigation, for building spiritual civilization this winter and next year. In this way, we can achieve actual results in the work. We must guard against formalism and perfunctoriness regarding inspection by higher authorities. We must strictly forbid fraudulent practices. In the work of this winter and next year, we should pay close attention to the following two aspects: First, we should formulate feasible programs for building spiritual civilization, put forth clear-cut demands and measures, and gradually put them into action. Second, we should proceed from reality and base ourselves on our needs and capabilities in concentrating efforts on performing practical tasks. An important task of party organizations in leading the building of socialist spiritual civilization is to play an exemplary role in rectifying party style.

Turning to the economic work of next year, Han Peixin pointed out: In general, we should make further efforts to relax control and invigorate the economy. We should continue to carry forward the spirit of daring to blaze a new path in making reform and vigorously promote reform, while focusing on improving efficiency, in order to overcome difficulties and make advances in our work. We should pay keen attention to marketing work by improving circulation, strengthening the concept of commodity economy, analyzing the market situation, studying market movements, understanding market demands, and making greater efforts to find a large market for commodities produced in Jiangsu. In addition, we should tackle the crucial problem of improving product quality. In invigorating enterprises, it is necessary to continue to promote reform, simplify administration, delegate powers to lower levels, perfect the economic responsibility system, and institute the plant director's responsibility system in all fields. In order to deepen reform throughout the province, all provincial-level organs should take the lead in making and supporting reform.

Han Peixin said: In view of the rather heavy and complex tasks for the coming years, party committees should make overall plans and pay special attention to focal and key issues. They should display initiative in performing work in a creative way, enhancing their legal sense, heightening their awareness of safeguarding the legal system, continuing to advocate a down-to-earth work style, and striving to prevent and stop all manifestations of formalism.

During the session, Comrades Shen Daren, Chen Huanyou, and Chu Jiang respectively spoke on the economic work of next year, the improvement of party style and grass-roots party rectification work, the perfection of democracy and the legal system, and the election of grass-roots people's congresses. The session's participants animatedly discussed these speeches.

LI PENG MARKS COAL TERMINAL COMPLETION

OW271406 Beijing XINHUA in English 1252 GMT 27 Oct 86

[Text] Shenyang, October 27 (XINHUA) -- A coal terminal specially designed to accommodate automatic-unloading coal vessels was completed today at the Boyuquan Harbor in Yingkou, northeast China's Liaoning Province.

The Boyuquan Harbor is one of the eight key port construction projects undertaken by the state.

This is China's first computer-controlled coal terminal for automatic unloading vessels built with domestic designs and home-made equipment, a port official told XINHUA today.

The completion of the coal terminal provides a new route for shipping coal from Shanxi, a leading coal producer in northern China, to Liaoning, the country's major heavy industrial center.

It will help ease the energy shortage in the province, the port official said.

The project has used more than 330 million yuan (about 90 million U.S. dollars). It has an annual unloading capacity of five million tons and can accommodate 27,000-ton vessels.

The harbor will have eight more berths for bulk ships by 1990. Then, it will have a total annual loading and unloading capacity of 10 million tons, ranking it with China's ten biggest ports, the official said.

[Beijing XINHUA Domestic Service in Chinese at 1210 GMT on 27 October in its report adds: "Li Peng, vice premier of the State Council, today cut the ribbon to mark the completion of the coal terminal."]

RURAL HOUSING CONSTRUCTION RISING SINCE SEVENTIES

OW271044 Beijing XINHUA in English 1030 GMT 27 Oct 86

[Text] Nanjing, October 27 (XINHUA) -- Housing construction has been sweeping China's countryside since the late 1970s, an official from the Ministry of Urban and Rural Construction and Environmental Protection said here today.

According to the official who attended a national conference on rural housing construction in Jiangsu's Changshu last week, Chinese peasant families have built more than 4.26 billion square meters of new homes over the past six years. This means each of China's 800 million peasants has 17.8 square meters of living space, much more than that of one urban citizen.

"Once the peasants have adequate food," he said, "housing becomes their first priority." The amount spent on housing construction has steadily increased along with the peasants' incomes.

"Incomes have raised 206 yuan (56 U.S. dollars) annually since 1980," he said, adding that in 1985 the amount spent for new housing reached 53.6 billion yuan (14.5 billion U.S. dollars), up from 3.08 billion yuan (832 million U.S. dollars) in 1978.

In the countryside more and more modern buildings are replacing mud-walled and straw-roofed houses. "Of new buildings throughout the country, those made of reinforced concrete make-up 30 percent, multi-story buildings, 15.6 percent," the official said.

In recent years, peasants in Shanghai suburbs have built more than 10 million square meters of living space annually, and those in Suzhou City in Jiangsu Province invest over 200 million yuan (54 million U.S. dollars) on housing a year.

In northern China, including Beijing and Gansu Province, a large number of peasants have moved into solar houses, and now 30 to 70 percent of the herdsmen in some counties of Tibet have moved into new houses.

While focusing on housing construction, peasants also accelerate construction of basic facilities, including roads, communication lines, utilities and cultural facilities.

According to statistics, there are 46,000 cultural centers and 56,000 hospitals in the countryside. Roads run through 90 percent of the rural townships and 48 percent of the villages, and running water is supplied to 15 percent of the country's total peasant population.

The Chinese Government has made rural housing construction part of the state plan for economic development. The official said that China is expected to build three billion square meters of housing and public facilities in the countryside during the next five years.

CORRECTION TO COMPUTERIZED WARFARE SYSTEM

The following correction pertains to the item headlined "Computerized Simulated Warfare System Developed," published in the 27 October China DAILY REPORT, page K 13, paragraph three, fourth line from the bottom:

...promptly transferred special ground forces, airborne troops, and Air Force units [di mian te zhong bing kong jiang bing hang kong bing bu dui 0966 7240 3676 4429 0365 4500 7100 0365 5300 4500 0365 6752 7130] to join in... (rewording, supplying vernacular and STCs)

ANHUI LEADERS ON IMPORTANCE OF COURTYARD ECONOMY

OW271223 Hefei Anhui Provincial Service in Mandarin 1100 GMT 26 Oct 86

[Excerpts] A 5-day provincial meeting on courtyard economy [ting yuan jing ji 1656 0954 4842 3444] ended in Langxi County on 23 October. Part of the participating leading prefectural and county comrades and responsible persons of departments concerned directly under the provincial level visited more than 20 advanced models of courtyard economy in 17 villages of 14 townships in Laian, Lanagxi, Guangde, Ningguo, and Xuancheng Counties. Witnessing the tremendous potential of commodity economy in the countryside, they felt more confident and determined to forcefully carry out the second step of reform in the countryside.

Leading comrades of the provincial CPC committee and provincial government Li Guixian and Wang Yuzhao expressed important views on courtyard economy before the meeting. They pointed out: courtyard economy plays a very important role. It is a component of the rural commodity economy, one of the major pillars of the rural economy, and an effective means for peasants to become rich.

In the past few years, under the guidance of the party Central Committee's policy of encouraging peasants to become rich, many resourceful and enterprising peasants in our province made full use of idle land plots around houses and villages as well as beaches and water surfaces to produce various commodities. Such household commodity production is small in size and investment but yields quick returns. Within a few years, small orchards, bamboo groves, forest farms, mulberry farms, flower gardens, herb farms, fish ponds, and workshops mushroomed throughout the province. In Langxi County alone, there are more than 23,400 such plots. [passage omitted]

Comrade Meng Fulin said in final summary: The courtyard economy is an important form of transition from natural economy to commodity economy; it is indispensable to the rural economy. We must emancipate our minds and boldly develop the courtyard economy. [passage omitted]

FUJIAN SECRETARY AT RURAL RECTIFICATION MEETING

OW271221 Fuzhou FUJIAN RIBAO in Chinese 14 Oct 86 p 1

[Excerpts] On the afternoon of 10 October the Standing Committee of the provincial party committee held a meeting to discuss and study village-level party rectification work. Secretaries of prefectural and city party committees, secretaries of Discipline Inspection Committees of prefectural and city party committees, and responsible comrades of the provincial Advisory Committee, who were attending the enlarged meeting of the Standing Committee of the provincial party committee in Fuzhou, attended the meeting. Zhang Yumin, member of the Standing Committee of the provincial party committee and deputy head of the provincial party committee's Party Rectification Guiding Group, reported on the situation in village-level party rectification work and made suggestions on the work for the next stage. Secretaries of prefectural and city party committees made reports on Party Rectification work and exchanged experience. Chen Guangyi, secretary of the provincial party committee; Jia Qinglin, deputy secretary; and Hu Hong, chairman of the provincial Advisory Committee, spoke.

The Standing Committee meeting pointed out: Fujian has smoothly advanced in village-level party rectification work; the trend is healthy and good, due to party committees at all levels paying great attention to and firmly grasping the work. Initial results have been achieved. However, development has been uneven. All party committees must keep sober-minded, find out weaknesses and shortcomings, heighten consciousness in grasping party rectification by implementing the guidelines of the 6th Plenary Session of the 12th CPC Central Committee, and further deepen village-level party rectification work. [passage omitted]

The Standing Committee meeting pointed out: County party committees are responsible for exercising direct leadership over village-level party rectification work. Party rectification is a matter of prime importance for the party as a whole. Party committees at all levels must attach great importance to it. The provincial party committee and all prefectural and city party committees must periodically listen to reports, take up party rectification work and examine it often, and give guidance in good time. County party committees must really include village-level party rectification work on their agenda of important tasks and devote their major efforts to grasping party rectification. Secretaries of county party committees must take up the matter personally; leading cadres in charge of the work must spare no efforts to grasp the work; other leading cadres must grasp the work assigned to them under the responsibility system. Township and town party committees must go all out to grasp village-level party rectification work well. It is particularly necessary to grasp well the party rectification work in backward units. This is an important question concerning whether we do party rectification work perfunctorily or not. County and township leaders must personally go to those units whose party branches are paralyzed or nearly paralyzed and adopt resolute measures to solve problems in time so that these units can take on a new look as soon as possible. [passage omitted]

The Standing Committee meeting pointed out: Current party rectification work is at a crucial juncture. Party committees at all levels must conscientiously strengthen leadership and grasp the work firmly and well. It is necessary to improve leadership, avoid giving only vague and general directions, strengthen specific guidance, and further deepen party rectification work.

JIANGSU STARTS VILLAGE-LEVEL PARTY RECTIFICATION

OW271113 Nanjing XINHUA RIBAO in Chinese 14 Oct 86 p 1

[Excerpts] At the end of September, the provincial party committee held a provincial discussion meeting on correcting party style and rural party rectification work and heard suggestions on village-level party rectification work, a heavy task soon to be carried out in the vast rural area.

Currently, there are 35,900 party branches and 1.09 million party members in Jiangsu's rural area. Seventy-three percent of the village party branches will start party rectification when autumn ends. Some of the remaining 27 percent have completed party rectification on a trial basis, while the rest are still undergoing party rectification together with rural enterprises. At the discussion meeting, Shen Daren, deputy secretary of the provincial party committee, spoke. After emphasizing the importance and complexity of village-level party rectification, he said: To carry out the task of village-level party rectification, we must correctly understand the principle of "both solving questions and creating no confusion" and strictly implement policies. [paragraph continues]

All conspicuous problems, including those of seriously abusing power to seek personal gains and seriously breaking law and violating discipline, must be solved. In addition, it is necessary to seriously draw a lesson from the consequences of repeated "leftist" influence in our rural work in the past. No one is permitted to indiscriminately make criticism from the higher plane of principle to magnify a contradiction. It is especially necessary to prevent factionalism and nepotism from interfering with party rectification. It is necessary to strictly prohibit anyone from using party rectification as a pretext to punish people or carry out reprisals. [passage omitted]

At the meeting, the Jiangpu, Wuxi, Gaoyou, Binhai, and Guanxian County party committees separately introduced their experience of carrying out party rectification on a trial basis.

Commentator's Article

OW270452 Nanjing XINHUA RIBAO in Chinese 14 Oct 86 p 1

[XINHUA RIBAO commentator's article: "Carry Out Party Rectification in Rural Areas Through to the End"]

[Excerpts] All-round party rectification at the village level will unfold throughout the province soon after the completion of autumn harvesting and sowing. This is the final phase in carrying out party rectification in rural areas, so all units concerned must go all out and implement the work in a thorough-going manner in order to achieve complete success.

Party rectification at the village level will be conducted by the whole party in the course of studying and implementing the "Resolution of the Central Committee of the Communist Party of China on the Guiding Principles for Building a Socialist Spiritual Civilization." the "Resolution" stresses that in building a socialist spiritual civilization, party organizations at all levels and the broad masses of party members are duty-bound first to try to raise their own ideological level and, in particular, to improve the work style of the party; and second to work hard and set a good example, thus helping to mobilize the people and advance the society-wide effort to build socialist spiritual civilization. The objective situation in the vigorous development of socialist spiritual civilization requires us to carry party rectification in rural areas through to the end. [passage omitted]

The situation of reform also requires us to carry party rectification in rural areas through to the end. In the course of carrying out party rectification at the village level we must have all village party branches and party members truly devote themselves to the reform program. We should educate and encourage all party members to dare to innovate; take the lead in promoting prosperity through honest labor, together with the masses; and pay attention to protecting the enthusiasm of specialized and individual households in developing commodity production. [passage omitted]

One-third of the total number of party members in this province are involved in party rectification at the village level, which represents the largest number since the 3-year party rectification campaign began. They live among the 50 million peasants. Doing a good job in carrying out party rectification at the village level will therefore have a great bearing on leading all peasants in this province to build material and spiritual civilization in rural areas. [passage omitted]

Party committees at all levels, comrades in charge of rural work at all levels, and party members in the whole province, let us, under the guidance of the "resolution," work harder, do well from start to finish in carrying out party rectification at the village level, carry out party rectification in rural areas through to the end, and successfully complete the all-out party rectification initiated 3 years ago. Let us greet the convocation of the 13th CPC National Congress in the next year with fruitful achievements in party rectification.

JIANGXI HIT BY 'MOST SERIOUS DROUGHT' SINCE 1979

OW261151 Beijing XINHUA Domestic Service in Chinese 0035 GMT 25 Oct 86

[By reporter Huang Qizhuang]

[Excerpt] Nanchang, 25 Oct (XINHUA) Jiangxi Province has taken effective measures to speed up construction of irrigation projects. Winter repair of these projects has started early. More people are involved, and rapid progress has been made.

This year Jiangxi Province has been hit by the most serious drought since 1979. More than 15 million mu of farmland was affected, some 11 million of which was declared disaster area. The Jiangxi Provincial CPC Committee and the provincial government have led cadres at all levels to draw lessons from this suffering brought about by drought, acquire unity in their understanding, and take effective measures to speed up construction of irrigation projects. This year, the amount of work assigned by the province for winter repair of irrigation projects is 20 percent more than the actual amount of work completed last year. An additional 270,000 mu of farmland has been brought under irrigation, and an additional 240,000 mu of farmland is guaranteed harvest regardless of floods or drought. [passage omitted]

JIANGXI BRICK PRODUCTION PART OF 'SPARKING PLAN'

OW261036 Beijing XINHUA in English 0843 GMT 26 Oct 86

[Text] Nanchang, October 26 (XINHUA) -- A Jiangxi Province factory is now producing bricks without baking the roughcasts, officials here said today.

The brick, produced at the Jinxuan Country wall-building materials factory, is made of local red soil and river sand or industrial residue, which are binded by a chemical binder and cement. It has passed state quality appraisal.

No information is available about whether the red soil can be obtained elsewhere.

Nevertheless, the officials said, development of the brick is part of the "sparking plan" during the 7th Five-Year Plan (1986-90) -- a national project to spread science and technology to spur China's rural economy, the officials said.

Of the total amount of timber and coal consumed by China's building materials industry, one 12th is used to produce bricks, according to experts in this field.

MAINLAND SPORTS REPORTERS VISIT TAIWAN

HK220905 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0032 GMT 22 Oct 86

[Text] Hong Kong, 21 Oct (ZHONGGUO TONGXUN SHE) -- A group of nine reporters from Beijing stopped over in Taipei 15 days ago, thus becoming the first group mainland reporters to enter Taiwan in more than 30 years, according to reports from Beijing.

This was a news item given by the TIYU BAO [PHYSICAL CULTURE JOURNAL] reporters to other reporters at a banquet in Beijing this evening hosted by the State Physical Culture and Sports Commission in honor of the Beijing reporters who had returned from Seoul after covering the Asian Games.

In the morning of 6 October, nine reporters, including Zhu Zhongliang, of the Beijing TIYU BAO, ZHONGGUO TIYU [CHINA PHYSICAL CULTURE] magazine, XIN TIYU [NEW PHYSICAL CULTURE] magazine, and other news units were flying from Seoul to Hong Kong. The plane stopped over in Taipei en route. When they left the plane at Taipei Airport, the working personnel there were surprised and could hardly believe that they were reporters from Beijing. A young woman was astonished, saying: "You are really like the legendary Monkey King coming from the sky!"

Instantly, a large number of airport personnel surrounded them, repeatedly asking questions: "How high are the houses in Peiping?" "Is Peiping in Hebei Province?" Getting satisfactory answers, they enthusiastically asked the Beijing reporters to pose for a photograph with them. After that, the Beijing reporters came to visit the shops in the airport lobby and chatted with airport personnel. A few of the Beijing reporters were busy taking snapshots from the moment they left the plane. One of them, a senior cameraman, said: "I have been to all provinces on the mainland to cover sports events, but not Taiwan. I have been very sorry about that. I thought this wish could never be fulfilled. But now, my wish has come true."

More than an hour later, the nine Beijing reporters went back to their plane and departed. A young woman waved good-bye to them, crying: "Have a pleasant journey."

Back in Beijing, they told their friends and relatives what they had seen and heard in Taipei. When their friends and relatives did not believe their story, they showed them the photographs which they had taken in Taipei. However, they regretted not having stayed longer to cover sports events in Taipei.

Some officials of the State Physical Culture and Sports Commission commented on this matter today. "Now that the mainland and Taiwan are busily engaged in sports activities, why can the sports reporters on both sides of the strait not freely cover sports events on both sides of the strait?" they asked. They said that Taiwan sports reporters would be welcome to come to cover the sports events on the mainland. Of course, they also hoped that the Taiwan authorities would permit mainland sports reporters to cover the sports events in Taiwan.

LIAOWANG VIEWS 3 MODELS FOR CHINA'S REUNIFICATION

HK240320 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 41, 13 Oct 86 pp 24-25

[Article by Zhang Jingxu (1728 2529 2485): "A Tentative Discussion on the Opportunity for China's Peaceful Reunification in the Context of Three Models"]

[Excerpts] At the end of the 1970's, in the light of the new international and domestic situation, for the sake of the fundamental interests of the state and the nation, to put an end to the tragedy of man-made separation of the people on both sides of the Taiwan Strait as quickly as possible, and in particular, to avert a disastrous war for the compatriots of all nationalities in Taiwan, the CPC and Chinese Government formulated a major principle for peacefully reunifying the motherland. It took 5 years or so for the principle to gradually evolve into a scientific concept of "one country, two systems," which is a major policy decision defined in the light of the realities in China. It fully reflects the common desire of the people on both sides of the strait and has won the warm response of compatriots at home and abroad, and at the same time, more and more compatriots of various circles in Taiwan have come to understand it. Under these circumstances, the KMT Government in Taiwan, facing pressure, both domestically and from overseas, has gradually adopted some appropriate measures for participating in international "nongovernmental organizations" and "governmental organizations." In other words, they are directly manifested in the acceptance of the "Olympic Games model," the tacit recognition of the "Asian Bank model," and the study and analysis of the "Hong Kong model."

I. Acceptance of the "Olympic Games Model" (One Country, Two Teams) [subhead]

Since the beginning of the 1970's, the KMT Government in Taiwan has entered "a period of low tide" diplomatically with its international standing going from bad to worse and has become increasingly isolated in the international community. [passage omitted]

The Executive Committee of the International Olympic Committee held a meeting in Nagoya, Japan in 1979 to solve the problem of the names of the representatives of China and of the Taiwan KMT Government. It adopted a resolution which says: "The PRC is entitled to bear the name 'Olympic Committee of China' and to use its national flag and anthem. Taiwan's 'Republic of China' is obliged to go through admission procedures to rejoin the committee. The Taiwan KMT Government was also instructed to change its name, flag, and anthem and to use only the name of 'the Olympic Committee of Taipei, China.'" Aware of its limited room to maneuver in the international community, the Taiwan KMT Government could not but revise its policy that Taiwan "will immediately withdraw" "from any international organizations of which the Chinese Communist Party is a member" in favor of "One of no concession to, no avoidance of the Chinese Communist Party" "in regard to international nongovernmental organizations or conference activities," thus negating its own stand of "heroes and thieves are extremely antagonistic," a stand it has stuck to for several decades. [passage omitted] Later on, Taiwan's memberships in international individual-event federations which were once temporarily discontinued or forfeited were restored one after another. Hence, there emerged the system of "one country, two teams" representing China in the International Olympic Committee. The two teams began competing in other countries.

What was particularly gratifying was that in 1984 compatriots from both sides of the strait joined the International Olympic Games held in Los Angeles, competing in the same arena and they thus together added a most glorious chapter to the annals of international sports for the Chinese nation and opened up a new epoch of compatriotic kin on both sides of the strait competing with or inspecting and learning from each other. This role now stimulates the restoration of normal exchanges between people on both sides of the strait.

II. Tacit Recognition of the "Asian Bank Model" (One Country, Two Seats) [subhead]

After the Asian Development Bank (Asian Bank for short) approved China's letter of application for admission to the bank by subscribing the latter's shares on 28 November 1985, seeing that the Asian Bank was the only international organization of which Taiwan was a member under its full name and from which it could "justifiably borrow money for capital," the government and the public in Taiwan debated fiercely on the problem of whether to withdraw from or to stay on in the Asian Bank. [passage omitted] Through several months of internal disputes, the Taiwan KMT Government was well aware that "the public has found it increasingly unbearable to endure the unfavorable situation in which Taiwan is excluded from the international community." Since the Asian Bank is "a governmental organization" which has the status of "an international legal person," it had to take "popular will" and "public sentiment" into account and to adopt "a slightly flexible" policy so as to leave "sufficient room to maneuver" in the days to come. Therefore, regarding the "Asian Bank model," on the one hand, the KMT Government in Taiwan issued a statement saying: Taiwan "will not accept, not withdraw, and not join." On the other hand, when the Asian Bank officially accepted the PRC as a regular member-state in April of this year, acting out of character the Taiwan KMT Government decided to continue paying \$500,000 for its share subscription. This indicates that the Taiwan KMT Government has tacitly recognized the "Asian Bank model," accepted the scheme of "one country, two seats," and agreed that Taiwan was to bear the name of "Taipei, China" in the "governmental organization in this connection, Taiwan analysts said they thought that "provided that there is no possibility of Taiwan being considered as one of China's provincial cities, the island will use this name in a more extensive scope of areas."

Recently Taiwan's "Study and Development Assessment Committee Under the Executive Yuan" completed a report on "the Study of Regional Organizations in the Asia-Pacific Region." It suggested the Taiwan authorities "actively study reappointing personnel to the Asian Development Bank" while upholding "the basic stand."

III. Study and Analysis of the "Hong Kong Model" (One Country, Two Systems) [subhead]

On 26 September 1984, the Chinese and British Governments initialled a joint declaration on the question of Hong Kong. This event had an immediate violent impact on the political arena in Taiwan. Greatly worried and terrified, the KMT Government was then in an awkward position, admitting that the exemplary role of the "Hong Kong model" as shown in the "Joint Declaration" which was the "one country, two systems" model in essence, was designed to serve the reunification of Taiwan with the China mainland and therefore would have "a far-reaching influence" on the government. The government was quite uneasy about the declaration. [passage omitted]

In its September 1986 issue, Taiwan's CHUNG HUA CHA CHIH (CHINA MAGAZINE) carried an editorial which pointed out: The "Doctrine of Three No's" is out of keeping with the Three Principles of the People. [paragraph continues]

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Only when China is united and reunified and it concentrates all Chinese talents on building national might can its future peace be guaranteed. This is nationalism and the primary principle of founding a state.

In conclusion, the editorial said: After experiencing 104 years of suffering and while thinking of today's situation and future dangers with the principle of "blood is thicker than water" in mind, all our compatriots both at home and overseas hope that China will achieve peaceful reunification, exercise democratic rights politically, adopt a mixed economy based on the combination of public and private ownership, ensure people live and work in peace and contentment, and peacefully coexist with other countries in the world, and that China's two major political forces will be good at showing understanding and sympathy for the will of 1 billion people and remove obstacles so that this just future will come true.

To sum up, that "China must be unified by peaceful means" has become the powerful voice of all Chinese compatriots and the important topic of discussion among press circles at home and abroad. As a means to achieve the reunification of the motherland, the "one country, two systems" model has struck root in the hearts of more and more people. Like people on the mainland, more and more people in Taiwan are happy to accept the model. If we liken the fulfillment of the task of reunifying the motherland to crossing a river, the "one country, two systems" model is a bridge over the river which all the people on both sides of the Taiwan Strait will take whether there are people who oppose it or not.

PREMIER YU KUO-HUA WELCOMES DEFECTING PRC PILOT

OW251748 Taipei Domestic Service in Mandarin 2300 GMT 24 Oct 86

[Excerpt] Compatriots at home and abroad warmly welcome the frequent reports on freedom-seeking pilots and are aware of their unique significance.

Yu Kuo-hua, president of the Executive Yuan, has emphasized that the defection of freedom-seeker Cheng Tsui-tien clearly indicates the popular sentiments on the mainland. We are very happy and hope that the 1 billion compatriots on mainland China will bask in the warmth of the Three Principles of the People soon so they can make common efforts to build our Republic of China. The following is a report by reporter (Feng Hisao-lung) of the Broadcasting Corporation of China:

Shortly after the defection was reported, Chiu Chin-i, spokesman of the Foreign Ministry, issued a statement expressing a warm welcome.

[Begin Chiu recording] The pertinent authorities in Korea are trying to understand the incident and will conduct further investigations on this matter. The military plane and the pilot are now in the custody of the Korean Air Force. If this Chinese Communist pilot expresses a genuine desire to seek freedom, we, the Government of the Republic of China, warmly welcome him. [end recording]

Major General Chang Hui-yuan, spokesman of the Defense Ministry, also issued a statement, noting the great significance of the defection that took place on the eve of the 100th birth anniversary of the late President Chiang Kai-shek. This further demonstrates that the Chinese Communist officers and men identify themselves with the Government of the Republic of China, and aspire after the Three Principles of the People. The defection at this time is even more significant. [end recording]

On hearing this good news, freedom seeker Hsiao Tien-jun, who also defected to freedom by way of Korea last year, said excitedly that this has heartened the anticommunist contingent on the free motherland.

[Begin Hsiao recording] Another comrade who shares a common goal with us has defected to Taiwan of the free motherland, thereby heartening the anticommunist contingent here. I am very happy about it, and welcome his defection. [end recording] [passage omitted]

PREMIER ORDERS NATIONAL SECURITY LAW DRAFT

OW240339 Taipei CNA in English 0233 GMT 24 Oct 86

[Text] Taipei, Oct. 23 (CNA) -- Premier Yu Kuo-hua Thursday instructed government agencies concerned to draw up the proposed National Security Law and draft the necessary amendments to the existing law governing civic bodies and the public functionaries election and recall law.

Yu made the instruction at a regular cabinet meeting this morning.

The premier said that the ruling Kuomintang has decided to terminate the 37-year-old emergency decree imposed in Taiwan and lift the ban on new political parties. Such government agencies as the Interior Ministry, the National Defense Ministry and the Justice Ministry should take immediate steps to put KMT's reform initiative into effect, Yu said.

He stressed that both the ruling party and the government have spared no effort in promoting constitutional democracy in the ROC [Republic of China]. The emergency decree was intended to safeguard the nation's security and stability, and protect against Chinese Communist subversion. Despite the annulment of the decree, Yu reiterated, everyone should obey the law of the land, uphold the anti-communist national policy, rule out successionism and avoid the use of violence in political actions. He also pledged that the government will continue to carry out political reforms based on the Three Principles of the People.

INTERIOR MINISTRY CREATES SECURITY LAW TASK FORCE

OW241155 Taipei CNA in English 1037 GMT 24 Oct 86

[Text] Taipei, Oct. 24 (CNA) -- Interior Minister Wu Po-hsiung said Friday that his ministry has created a task force to draft the proposed National Security Law.

"The team will write a new statute to facilitate the termination of the emergency decree declared in Taiwan 37 years ago," the minister said at a press conference at the Government Information Office.

Wu will be the leader of the team. Members of the team will include Justice Minister Shih Chi-yang; Defense Minister Wong Tao-yuan; Wei Yung, chairman of the Research, Development and Evaluation Commission; Chen Li-an, chairman of the National Science Council; Hsiao Tien-tsan, minister without portfolio; and legal experts within the Interior Ministry.

Wu said the Interior Ministry has organized two other teams to amend the existing law governing civic bodies and the public functionaries election and recall law. The teams, respectively, will be led by Vice Interior Minister Cheng Shui-chih and Tung Shih-fang, a member of the Central Election Commission.

In drafting the National Security Law and revising the laws governing civic bodies and the elections law, the three teams will collect as much information as possible and consult with legal experts to ensure the accuracy of the new statutes, Wu said.

POLITICAL REFORMS CONFIRM DEMOCRATIC PROGRESS

OW221849 Taipei CNA in English 1442 GMT 22 Oct 86

[Text] Taipei, Oct 22 (CNA) -- Minister of Foreign Affairs Chu Fu-sung said Wednesday that recent political reforms have affirmed the Republic of China [ROC] Government's determination to implement democracy.

The reforms have won a positive response at home and abroad, thereby strengthening the nation's image, he said while reporting on protective measures for Overseas Chinese at the Legislative Yuan's Overseas Chinese Affairs Committee.

Hu pointed out that President Chiang Ching-kuo's recent talks in an interview with THE WASHINGTON POST on the government plan to lift emergency decrees and allow the formation of new political parties, and the ruling Kuomintang's subsequent approval of the plan, have attracted the praise and attention of many foreign governments and peoples. They said that [words indistinct] major political reforms are a positive step in the democratic development of the ROC, he added.

President Chiang's remarks demonstrate the government's determination to achieve democratic progress, regardless of the difficulties it encounters, Chu noted, adding that many foreign leaders realize the significance of the reforms.

In the past, Western governments believed that the ROC's political progress could not keep pace with its economic and social development, Chu said. The reforms will underline ROC's multi-faceted improvement and give Westerners a new estimation, he said.

DEFENSE MINISTER REPORTS TO YUAN ON ARMED FORCES

OW261250 Taipei Domestic Service in Mandarin 2300 GMT 22 Oct 86

[Excerpts] At the Overseas Chinese Affairs Committee of the Legislative Yuan, Foreign Minister Chu Fu-sung made a report on measures taken by the Republic of China to protect the Overseas Chinese. [passage omitted]

At the National Defense committee of the Legislative Yuan, Defense Minister Wang Tao-yuan said: The Armed Forces of the Republic of China are the cornerstone for maintaining the nation's stability, and they are also the basic force for maintaining social prosperity and progress. The officers and men of the Armed Forces will continue to strive to improve themselves, enhance their combat effectiveness, and fortify our national defense in order to win the final victory. [passage omitted]

OFFICIAL SAYS TRADE SURPLUS PROBLEM WITH U.S.

OW230315 Taipei CNA in English 0233 GMT 23 Oct 86

[Text] Taipei, Oct. 22 (CNA) -- While the talk on the importation of U.S. tobacco and alcoholic beverages is still in a stalemate, the U.S. Government is working on retaliatory measures on the nation, an official with the American Institute in Taiwan [AIT] said Wednesday.

An AIT official, who spoke on condition of anonymity, denied the rumors that the U.S. Government would soon reach an agreement with the ROC [Republic of China], on the importation of American alcoholic beverages first starting Nov. 1.

The official revealed that the trade representative office and the Department of Commerce of the U.S. are studying trade retaliatory measures, adding that the U.S. Government is very likely to take reprisal according to Section 301 of the U.S. trade law if the two nations are still unable to reach an accord on Nov. 1.

According to an agreement the two nations reached last year, the ROC is required to open its market to American tobacco and alcoholic beverages before Oct. 25. The two sides agreed in a meeting last August to postpone the date due to Nov. 1.

So far, the two sides are still haggling over the pricing and advertisements of American tobacco and are unlikely to conclude an agreement before Nov. 1.

Responding to the urgent issue, Vice Economics Minister Li Mo said the U.S. Government is no longer merely threatening. Now, it is beginning to act. However, he said, the ROC Government will take countermeasures if the U.S. moves in retaliation.

However, the real problem with the trade relations between the two countries, Li pointed out, is not the importation of American tobacco and wine as it seems to be. The problem generates from the huge trade surplus in favor of the ROC, which may total \$ 12 billion before the end of this year.

FIRE-DAMAGED NUCLEAR REACTOR TO RESUME OPERATION

OW212356 Taipei CNA in English 1507 GMT 21 Oct 86

[Text] Taipei, oct. 21 (CNA) -- A ranking official with the General Electric Company disclosed Monday that the No 1 Generator of the Third Nuclear Power Plant in Southern Taiwan, which was in a fire in July of 1985, has begun to undergo trial runs and will resume commercial operation by the end of October.

In an interview with Vice Economics Minister Li Mo, Peter E. Camp, G.E. president in charge of nuclear power generation, said that his company was satisfied with the trial run of the repaired No 1 generator of the Third Nuclear Power Plant which started on Oct. 15.

According to an informed source, the Taiwan Power Company has suffered losses estimated at NT 5 billion (about U.S. \$140 million) since the breakdown of the first generator at the plant. During this period, G.E. reportedly spent NT \$2.4 billion in repairing the damaged generator, it said.

Meantime, Taipower President Chen Chen-hua said the Atomic Energy Council has formally approved allowing the Third Nuclear Power Plant to resume operation by the end of this month. AEC turned down Taipower's request to resume the plant's operations in June on the grounds that the design of the damaged compressor plates had not been improved, Chen said.

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